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HOUSE OF COMMONS

Monday, August 29, 1966

The house met at 2.30 p.m.

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER RESPECTING CALLING OF HOUSE

Mr. Speaker: Order. I have the honour to inform the house that by virtue of a resolution passed by the house on Thursday, July 14, 1966, *Votes and Proceedings* page 782, dealing with the adjournment of the house, I caused to be published in an extra edition of the Canada Gazette dated August 22, 1966 a notice calling the house to meet this day, which is as follows:

[*Translation*]

After consultation with the Government, I am satisfied that the public interest requires that the House of Commons, which was adjourned on Thursday, July 14, 1966, until Wednesday, October 5, 1966, should meet at an earlier time. In pursuance to the order of the House of Commons passed Thursday, July 14, 1966, I hereby give notice that the House of Commons shall meet on Monday, August 29, 1966, at 2.30 o'clock p.m., and transact its business as if it had been duly adjourned to that time.

Given under my hand and seal at Ottawa this 22nd day of August, 1966.

Lucien Lamoureux,
Speaker,
House of Commons,
Canada.

[*English*]

In addition, on the same date I sent a telegram to each member of the house containing the substance of the notice.

VACANCIES

Mr. Speaker: I also have the honour to inform the house that during the adjournment of the house I received communications advising that vacancies have occurred in the representation:

Of Mr. Chesley William Carter, member for the electoral district of Burin-Burgeo, by reason of being summoned to the Senate.

Of Mr. Charles Ronald McKay Granger, member for the electoral district of Grand Falls-White Bay-Labrador, by resignation.

I have accordingly issued my warrants to the chief electoral officer to make out new writs of election for the said electoral districts, respectively.

[*Translation*]

PRIVILEGE

MR. GRÉGOIRE—REQUEST FOR CHANGE OF SEAT IN CHAMBER

Mr. Grégoire: Mr. Speaker, I rise on a question of privilege which may interest hon. members, that is my decision to sit as an independent, and to ask you to designate another seat for me in the house. This does not mean that I am no longer an ardent Créditiste; far from it. Whenever the discussion will turn to social credit, I will always be ready to co-operate with my former leader and colleagues for whom I still have the highest regard.

The main reason for the change, Mr. Speaker, is that I have decided to favour the independence of Quebec. My choice has nothing to do with the contacts I may have had with English speaking citizens I may have met in Ottawa. On the contrary, I think that during the five years I have been sitting in this house, I have made friends among all groups of members, an honour I consider all mine. Consequently, it is not a question of individuals but one of system and constitution.

To reassure everyone, Mr. Speaker, I want to say that I will work toward independence by democratic means as long as we live in the confederation as it now exists.

I will urge my fellow-citizens of Quebec to live as good and honest Canadian citizens, respectful of Canadian laws as long as we have a Canadian confederation. I will disapprove acts of violence and terrorism, but I will devote from now on all my energy to convince democratically Quebec citizens that their best interest is to get out of confederation as it now exists.

Mr. Speaker, I have not taken without due reflection my decision to fight for the independence of Quebec. When I arrived in Ottawa in 1962, I had the conviction that Canada was a country where good understanding would prevail if French Canadians could make themselves understood and if everyone would understand and co-operate.

Gradually and almost against my will, I became more and more convinced, after coming into contact with the facts, that the future

of Quebec and of French Canadians resided in Quebec independence.

I conclude by saying, Mr. Speaker, that it is the first time that this is said in the house: Quebec will have its independence, and soon.

Mr. Speaker: Order. Pursuant to the request of the hon. member for Lapointe, he can, if he wants, take seat No. 53 or No. 54 as he wishes.

[*English*]

• (2:40 p.m.)

HOUSE OF COMMONS

CONSIDERATION OF LEGISLATION RESPECTING RAILWAY MATTERS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure the house would expect a statement from the government on the reasons which led us to request you to alter the order adopted by the house on July 14, which you have just read. I regret, Mr. Speaker, that the government felt obliged to ask Your Honour one week ago today to alter this order. My regret is, of course, much greater because of the grave national problem which brought us here; the national railway strike.

A general railway strike is a national emergency and if prolonged, as I hope it will not be, could become a national disaster. That, Mr. Speaker, is not exaggeration or dramatization; it is merely a statement of fact, for Canada's economy is dependent on railway transportation.

There are those, Mr. Speaker, who say that parliament should have been called before this strike was called.

Some hon. Members: Hear, hear.

Mr. Pearson: To have recalled parliament before the decision to strike was made would have been taken, of course, as a proclamation by the government that there was no hope of any kind of a settlement between the parties, and it would have represented an interference in an unprecedented way with the collective bargaining process laid down by our law.

Once the strike date was set the government lost no time in calling parliament. We acted on the same day. We knew, of course, that in doing this we were making further bargaining and mediation more difficult, but we knew also that there were only four days for mediation before the date that was set for the strike.

[Mr. Grégoire.]

There are also those, Mr. Speaker, who say we should have had parliament meet on Thursday of last week so we could ask parliament to prevent the strike by legislation. Naturally that course was considered. It has been followed in the past. Apart from the fact that the time was so short between the calling of the strike and the date for the strike, to attempt to legislate last week in the circumstances of that week, to attempt to legislate before Friday noon in our view was not likely to have been an effective course for achieving the objective in mind.

We should not forget and I am sure we do not forget, Mr. Speaker, that under our laws the union leaders have an undoubted right to call a strike and the employees have an undoubted right to go on strike. They are acting, in doing so within the law, as I am confident they will continue to act. We should not forget and we do not forget that the right to strike is a cherished and integral part of our system of free collective bargaining, and neither government nor parliament should abridge, or would want to abridge, that right without the strongest reasons of national interest and public welfare, and not until every effort of persuasion and mediation has failed. This is why we felt that a final attempt at mediation even after a strike date had been set, under the auspices of the Minister of Labour, was not merely justified but was necessary in the public interest. That final mediation did not, unfortunately, avert the strike; it is continuing as we sit in this chamber.

Two alternatives faced the government, as they faced the country. We as a government could have abided by the ordinary law and allowed the strike to continue until the parties finally came to an agreement on their own with all the assistance the government could give them. Or parliament could be asked to intervene on the ground that a promulgation of the strike would do such great harm to the public interest, including the interest of the parties to the dispute, as to constitute a national emergency which justified a departure from ordinary practice and law.

We had no difficulty in deciding that it was our duty as a government to follow the latter course as now being necessary to restore an essential public service with the least possible delay and to get the railways moving again with the least possible interference with the process of free collective bargaining. For this

purpose we hope that by agreement immediate consideration can be given to a bill which is now ready and which, it is hoped and expected, will bring the strike to an end on terms which will be just and fair to all concerned and which will protect the national interest.

We have also, Mr. Speaker, a second bill ready dealing with railway matters. This bill has a relationship to certain of the problems bearing on the dispute which brought about this strike, as well as earlier ones, and if it becomes law we believe it will facilitate the success of the negotiations to which reference is made in the first bill.

• (2:50 p.m.)

As members of parliament, Mr. Speaker, we have serious responsibilities to our country as we consider the issues before us. As members of the government we have special responsibilities and as Prime Minister I, of course, have the heaviest responsibility of all. I know all hon. members of the house will discharge their responsibilities at this time in the spirit of loyalty and service to our country which brought us here.

At this time I ask for the co-operation of all hon. members in making it possible for the government to place its proposals before the house for consideration without delay. I believe the strike emergency justifies this request, just as I believe the importance of the legislation deserves thorough and searching debate.

I hope, Mr. Speaker, the house will permit me to put again on the record of *Hansard* words that were used by Hon. George Drew, then leader of the opposition, in 1950, when the House of Commons was facing a similar emergency and was asked by the government of that day to deal with that emergency. Mr. Drew said then:

> What the people of Canada want us to do is get the railways working as quickly as possible. I believe that is the spirit of every member of this house. Collectively those who sit here represent all the people of Canada. It makes no difference what party we support in our own community; we represent all the people. Therefore—

—he added—

> —we here have the great and proud and heavy responsibility of speaking for all Canadians. The well-being and security of the whole Canadian community is our supreme responsibility. When the well-being of the people of Canada is threatened in this or any other way, parliament, and the government, which is its executive branch, must take those steps which will preserve the national economy and the security of the home life of all our people.

It is in the spirit of those words, Mr. Speaker, that I ask for the co-operation of all members of parliament at this time in facilitating and expediting the procedures so we will be able to discuss the legislation before us with a minimum of delay.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am sure Hon. George Drew, when he reads the words of the Prime Minister, will realize that those sitting opposite by whom he was condemned for so long, use his words today as the cornerstone of their argument.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I recall very well that debate in 1950. The attitude then taken by the Conservative party was that in so far as compulsory arbitration was concerned the party was against it, and members of this party voted accordingly when a vote took place on the motion made by the then prime minister.

I am rather surprised at the general attitude of the Prime Minister today. After the bumbling of his government for weeks I expected that instead of making a provocative speech, an alibi speech, he would have made an appeal not only to parliament but to Canadians as a whole. Instead of that he chose the course of a partisan speech.

Some hon. Members: Shame.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Yes; it is shameful that this should be so, with the Prime Minister trying to explain the dilatory uncertainty of a government lasting for weeks on end. That is what they are attempting to do. From the end of July on, everybody except the government knew there was going to be a strike. Everyone in this country knew. It was made perfectly clear on July 11 and 12, after the initial report, that the terms of the report of Mr. Justice Munroe would not be accepted. It is understandable. In his speech today the Prime Minister forgot to deal with the Pearson formula, the 30 per cent basis of settlement which added to the problem of inflation, with the approval of the government, contributed to by its diplomatic forcefulness in bringing about a settlement. That is the reason why we find ourselves faced with this situation. He rushed in; he established the reputation of being the great conciliator, the conciliator who was able to offer

everything in order to settle two situations. He made his policy at this time a basis for all requests by labour in all parts of Canada.

We meet in an atmosphere of gravity and crisis. The Prime Minister tried to explain why he and his government waited so long. They knew on August 21, after he returned from seeing the sunset in New Brunswick. He knew that night that the strike was going to be called for the following Friday. Where were the strike committee? They were on strike; none of them were here.

An hon. Member: Gone fishing.

Mr. Diefenbaker: Gone with the wind, unable to take action.

Mr. Monteith: Not important to them.

Mr. Diefenbaker: He tried to explain why they waited until the strike got under way. If they have a formula that is fair and equitable, as he now says, did they not have it then? Why wait until the economy of Canada faces the serious paralysis of which the Prime Minister speaks? They just played around. There used to be a British king known as Ethelred the Unready. Now we have a Prime Minister and a government which richly earn that description.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The excuse is that the government did not know there was going to be a strike. You would not expect the Minister of National Defence to know; he was so busy unifying. You would not expect any viewpoint by him. Surely there must have been some others in the cabinet sufficiently integrated with events to realize what every Liberal newspaper in Canada realized, that a strike was coming and action should be taken.

Why did they wait? Where were the members of that strike committee? I suppose they were looking around, Mr. Speaker, to find what planes they might consider under the new purchase plan whereby tens of millions of dollars of Canadian money is to be wasted on aircraft so that ministers can get around better.

Mr. Monteith: So true.

• (3:00 p.m.)

Mr. Diefenbaker: In his opening remarks the Prime Minister made it clear that while he asked for co-operation he intended to defend what he and his government know is a course which is indefensible. The responsibility rests on the Pearson government and no one else. They expected that if they sat around long enough the problem would settle itself. Now the Prime Minister tries to explain that indolence and uncertainty, an attitude not in keeping with the tremendous gravity of the problem.

The Prime Minister says we have another piece of legislation besides the bill to deal with the strike per se. We should like to see that other bill. The Prime Minister asks for co-operation. I offer him the most complete co-operation in order to bring this legislation before the house. There has never been any doubt about that. We are not standing upon any technicality. If there are any members of the house who want to prevent discussion taking place by denying unanimity, we will be able to get around it very easily by someone moving the adjournment of the house in order to discuss this matter of national importance. In that way we will not be wasting two days.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I do hope there is no one in the house—and apparently I am well justified in that expectation—who will do other than agree to give the government the right to proceed at once. We intend to do that.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We intend to go further than that. I am so impressed with the Prime Minister's words, with which I agree, regarding the gravity of the situation that I do not think ordinary hours of sitting are sufficient.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am glad to note the Minister of Labour approves of that suggestion, because he has to share the official responsibility for the failure of this government in recent days. I do not want to single him out because that would be an unjust differentiation. We are prepared to sit longer hours because we want to do everything we can to assist.

We are now asking for a little co-operation on the part of the government. In view of the fact that everything will be done by consent, let us see the bill which the government has in mind in order to implement in part or in whole the MacPherson and Freedman commission reports. There is no reason why this should be held up if there is agreement among hon. members that we see this bill, because this second bill apparently involves a sudden decision. When the Minister of Labour spoke on television he said that in the last two days something had come up of a

most unusual nature—consideration of the MacPherson commission report—which changed government thinking. We want to see that second bill, and there is no reason why the government should not make it available at once. Naturally everyone wants to know its contents.

When an order is made in this house requiring men to go back to work I believe that those Canadians involved will do so. In spite of a few who argue to the contrary, labour has been law abiding in this nation.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I ask the Prime Minister to let the house see this document that was found in an embryonic stage two days after the strike was called and which represents something, as it turned out, that had not been a previous consideration. We want to know the basis of this legislation. The government by resolution introduced a measure in this regard I believe in March of 1964. It was proceeded with again in September, but died a natural death. We want to see what the government has evolved and the changes it has in mind so we may know who is going to pay what. Is the principle that there shall be non-discrimination in freight rates in every part of Canada to be preserved? We want to know the answer to that.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We are not making a request that is unfair. After all, we are meeting because of an emergency. Rules are going to be put aside, as they should be. There are two bills; let us see them. I made that request on Friday and have been waiting ever since for an answer. Mr. Speaker, we shall co-operate in spite of the fact that we face a government which cannot govern; a government that is helpless in confusion; a government whose inaction which has culminated in this case not only in a crisis for Canada but a crisis of incompetence in the government.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in the opinion of the New Democratic Party we cannot deal with the railway strike in isolation. This strike is the culmination of a long process of indecision and procrastination on the part of the government, and if parliament is going to deal with the strike situation at this time it is our contention that it must deal also with the basic causes which have produced the strike.

Some hon. Members: Hear, hear.

Mr. Douglas: For two years the members of this party have pointed out to the government that unless it grappled effectively with the rising cost of living and the demands for wage increases, labour disputes and strikes would inevitably follow. These strikes have taken place and we are now faced with the largest to date. The fact is that the government has sat idly by for ten months during which there has been no effective collective bargaining between the railways and the railway employees.

• (3:10 p.m.)

Throughout this time the railway companies have stalled. To date they have not offered one red cent to their employees. No mediator was appointed until the strike had been announced and the Prime Minister then asked the Minister of Labour to bring the parties together. No action has been taken on the implementation of the Freedman report, which is a vital factor in providing some measure of job security for the railway employees; and throughout the more than three years that this government has been in office there has been no clear statement of a transportation policy. The Prime Minister said this afternoon that the government could not call parliament to introduce legislation to prevent a strike, but any time in the last three years the government could have done something about the recommendations of the MacPherson report. It could have provided legislation which would have enabled the railway companies to know their financial position and put them in a position where they could have made some definite financial offer in collective bargaining negotiations with their employees.

We contend that the railway strike is merely the top of the iceberg, and that underneath there are great disruptive forces at work within our society. We do not think the government can use the crisis psychology of a strike to force through legislation which will penalize one section of our population. We recognize that parliament must deal responsibly with the strike and with the effect it will have upon the Canadian economy. We contend at the same time that parliament must now, while we are sitting, grapple with the total problem and do something about the causes which have produced this strike and are likely to produce other strikes. If the government is going to introduce legislation to restrict wages and to determine wage rates for a certain group of employees in this

country, we want to know what it proposes to do about restricting consumer prices.

Some hon. Members: Hear, hear.

Mr. Douglas: What does it propose to do about restraining undue profiteering? Are dividends and profits to continue to spiral while wages are to be frozen at some level determined either by parliament or some tribunal appointed by the government? We are prepared to facilitate an early discussion of the government's legislation, but on the distinct understanding that we will also discuss the much wider problem of the economic situation in Canada which has produced this railway strike right across our nation.

We will expect, and I think we have a right to expect and the Canadian people have a right to expect, some statement from the Prime Minister in the course of the next few days with respect to what the government's policy is regarding the steadily mounting cost of living. We think we are entitled to a statement from the Minister of Finance with reference to fiscal policy and the changes in his budget which are necessary in view of what has happened since he introduced his last budget. If the Minister of Finance is convinced that there are inflationary pressures and that there must be some restraint in the economy in order to prevent an overheating, this parliament has a right to see that the restraint does not fall solely upon one section of the Canadian people; this parliament has a right to demand a fiscal policy that will make for a fair and proper distribution of income in this country.

We have the right to insist that the Minister of Labour introduce legislation, while we are here in the next few days, to implement the recommendations of the Freedman report in order that these men who are on strike and who in the last eight years have been adversely affected by technological change will be assured that there will be some consultation and some amelioration of the condition of those replaced as a result of automation. We have a right to expect from the Minister of Transport a clear statement of a sane transportation policy. When I say a "sane" transportation policy, I do not mean an abandonment of responsibility by the government; nor do I mean turning the Canadian people, and particularly the Canadian shippers, over to the tender mercies of the railway companies.

I think volume 3 of the MacPherson report was brought down in July 1962. The government has had ample time in which to outline a policy that would make it possible for the railways in this country to operate efficiently and at the same time pay their employees wages that are commensurate with the wages paid in other sections of our industry.

Therefore, Mr. Speaker, we are prepared to be as co-operative as possible, but we make two clear conditions. One is that we shall insist upon adequate time to study and examine both pieces of legislation which the Prime Minister has indicated will be brought down. We have no intention of allowing the psychology of crisis that is being built up to stampede or bully us into agreeing to legislation which will have a detrimental effect upon the Canadian people and will operate adversely to the interests of the railwaymen and their families across Canada.

Our second condition is that in addition to the legislation which the Prime Minister has announced, and concurrent with it, we want some statement from the government with respect to the measures they will bring down to deal with the underlying causes that have produced this unfortunate situation. Unless the government does this, any legislation they can introduce now will not solve the problem, will not necessarily end this strike, and will certainly not prevent other strikes in other segments of the economy. The time has come for the government to end government by diplomacy and evasion. The time has come for government by leadership and courageous action.

Some hon. Members: Hear, hear.

Mr. Douglas: The time has come for the government to deal with the root causes instead of doing what they are asking us to do now, merely put on a patch which will blow off in the course of the next few months so that parliament will be facing another crisis in the matter of the next few weeks or months.

I cannot emphasize too strongly that in our opinion this situation is only part of a much larger economic problem, and unless parliament is prepared to grapple with that problem we will not have solved anything; we will only have postponed the evil day.

• (3:20 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we are called for an emergency

session at Ottawa to consider a most serious situation, paralysing to the Canadian general economy.

Indeed railwaymen are on strike, national railways have gone out of operation, and from all sides we hear people say that the government should have summoned parliament earlier, that the government does not know how to cope with its responsibilities etc. The government was right in letting employers and employees, through their own means of negotiation, seek an understanding which would benefit both the railwaymen and the Canadian economy as a whole. Had the present Leader of the Opposition (Mr. Diefenbaker) been at the head of the government, I dare him to say he would have done better under the circumstances. He himself would have let employers and workers, through their bargaining agents, try in every way to find a solution, to come to an agreement. But it is easy to lay the blame on others.

Mr. Speaker, following negotiations, a conciliation board was appointed and failed as well. This railway employee issue is not a separate one; it is an all-embracing problem. All sectors of the economy are affected, and are in the same situation. The conflict between the railway employees and the national railways did not start today, or even two months ago. In fact, back in 1950, under the St. Laurent administration, certain problems had already arisen. In 1960, under the Diefenbaker government, difficulties also occurred. Both in 1950 and in 1960, why did not those who were at the head of the nation live up to their responsibilities in anticipation of possible events in 1960 or 1966?

Mr. Speaker, we are presently summoned to examine this very alarming situation and the government requires members to make a decision that will end this strike which ultimately will be detrimental to the strikers themselves.

They are the ones who are losing wages, and the farmers and all the social classes in Canada are losing through such a strike.

But, Mr. Speaker, under the pretext that the government must fight inflation, parliament is recalled and two bills will be submitted to the members later on. We have no idea of what is in them. Do they deal with compulsory arbitration or with a definite policy to get the railways to deal adequately with their employees? Do they contain appropriate and reasonable solutions to help the Canadian workers in general? We do not know. But I know one thing, Mr. Speaker, namely that the railway workers and the textile workers are not the only ones on strike in Canada; we have also had farmer's strikes against some provincial governments. As a matter of fact, we have had all kinds of strikes and the most important one so far in Canada, which happened many times, is that of the financiers when they impose credit restrictions and force the Canadian people to live in misery. In the case of those strikes, the government never recalled parliament so that steps could be taken to put finance at the service of the Canadian people, human beings which include the railway workers, industrial workers, miners, settlers, farmers of all classes of society.

Mr. Speaker, the government does not call us back to deal with those strikes, but we are called back to discuss the impossibility of the railways to grant a 30 per cent wage increase. We are now complaining about inflation and its dangers but, Mr. Speaker, the dangers of inflation are not recent; they existed many years ago when, for instance, the government is deprived each year—the Minister of Finance (Mr. Sharp) is well aware of it—of $1.25 billion in interest only on the national debt. That is inflation, Mr. Speaker. The 11 per cent tax on building materials, that is inflation, Mr. Speaker, and the government is responsible for that.

What is the government doing about inflation? Absolutely nothing. On the other hand, the workers are asked to accept low wages which barely enable them to make ends meet, wages which barely enable them to live decently in a country like ours.

We know that the cost of living is exorbitant, everyone knows that we must do something, but why always do it at the expense of the working classes? That does not mean, Mr. Speaker, that I support the strike which is now on in Canada. No, because I have the deep personal conviction that in the whole world, strikes have never settled labour problems. Usually, and generally, the end of one strike marks the beginning of another. And those who pay for the strike are not the labour leaders who give the strike order, but those who work, the workers themselves. On this point, I call to witness the Minister of Manpower (Mr. Marchand) who knows all about this strike. When has a labour problem been settled by a strike? Never.

I have no intention, Mr. Speaker, to speak at any length on this question at this time, because I insist that the government bring

down its bills at the earliest possible moment, and let us know what is being proposed to restore order, and not spread disorder nor impose economic or government dictatorship on the workers.

No. But let the government bring down its bills so that we made consider them. That is why we have been called. It is clear that at the same time we will be touching upon the question of inflation while we are discussing these bills, because the bills are directly related to inflation.

But, Mr. Speaker, to enable the government to bring down its bills and to enable us to discuss them according to the facts, then we will be in a position to discuss at greater length the details, the points and the suggestions of the present government.

In closing, Mr. Speaker, I say that we will let the government introduce its legislation at the earliest possible moment. This does not mean that we will be giving a blanket approval to the government proposition; not at all. It means, however, that we are anxious to bring an end to this railroad strike, to achieve a settlement because at the present time neither the executives of the Canadian National or of the Canadian Pacific, nor the union leaders are footing the bill for this strike. The strikers are the railroad workers themselves, and the farmers who are left with produce that cannot now be sold for lack of transportation.

Well, Mr. Speaker, we hope this strike will come to an end at the earliest possible moment and that is why we are anxious for the government to bring down its legislation so that we may consider it and arrive at beneficial results for the economy of the country as a whole.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we have been called to deal with a national emergency, an emergency that has arisen in the form of a national strike but behind which is a far greater emergency affecting the whole economy and the entire operation of our railroads and transportation system. However, it would be a futile waste of time to delay in dealing with the first crisis. Every day that the trains do not run adds to the burden on the economy and to the hardship caused to innumerable innocent people whose livelihood is dependent upon reliable transportation. The trains must get back into operation and parliament should hear immediately what steps the government proposes to take to solve the immediate crisis and the long-range problems behind it.

[Mr. Caouette.]

• (3:30 p.m.)

Unfortunately, there are third parties who are suffering as a result of this strike. There are the travellers, the fruit growers, the farmers, business people, students and citizens generally of the two island provinces and the entire nation. This has forced the reconvening of parliament. Most important of all is the hardship this strike is inflicting upon those people with fixed incomes who have no way of fighting for their own needs.

In my opinion no one person or group can be held solely responsible for the state of labour unrest in Canada. The demand for more material benefits and the accompanying decrease in responsibility for one's fellow man have been fed by the advertising media which foster dissatisfaction as a spur to sales, by labour leaders who know of no other way to hold their jobs than to offer their men more wages and fringe benefits, by management which has boasted of the wonders of automation in raising productivity, and by a government which has promoted the theme that all the welfare needs of the people should be met by state schemes.

In such a situation it is not surprising that neither labour nor management are prepared to take realistic action but turn to the government to make the difficult decision for them. Such a decision faced the government last spring during the Quebec longshoremen's strike and the threatened strike of seaway workers. The government muffed it and we are meeting in emergency session to pay the price. Compulsory arbitration may be unpalatable to the unions but when their own representative on a conciliation tribunal agrees that there can be no settlement short of government intervention, what other solution remains? Regardless of what has happened in the past and whatever the weaknesses in government action have been, the government must take a strong line now and call upon responsible people in the country to support it. The call has come to us to deal with legislation and we want to see that legislation. We give our assurance of co-operation in dealing with it because it is the national interest that must be considered. If parliament had been called prior to the beginning of the strike, in our opinion we would have been discriminating against the railway unions and their workers. In addition, this action would have been contrary to the basic right of collective bargaining and the the right to strike. This is of particular significance in view of the fact the union

leaders have acted strictly according to the rule of law up to this point. They are to be commended for that. The tragedy of the situation has been the failure of the government to take strong action prior to this crisis. It is five years now since the MacPherson report was tabled in this house. In his first Throne Speech more than three years ago, the Prime Minister promised that railway legislation would be brought forward. The Throne Speech in each subsequent session has contained the promise that railway legislation would be implemented. There has been no action.

The railway employees do have a legitimate complaint. They have gone now for eight months without an agreement with railway management. It is my impression that even more important than wage increases are the complaints of railway workers with regard to working conditions, conditions which have been neglected for years. In addition, the cost of living continually goes up and up. However, at this time the responsibility of parliament is to get the trains rolling again, to outline the basic terms on which further negotiations may be based, and to provide a time limit for those negotiations, after which arbitration must take effect.

We have a second responsibility, and that is not only to deal with the railway legislation but to deal with the underlying causes of the strike, namely, the cost of living which is continually going up and inflation which depreciates the purchasing value of the dollar. Therefore we expectantly wait to see the first phase of the legislation that will be brought forth. The second piece of legislation to which the Prime Minister referred is something which I believe will need weeks of study and will necessitate the bringing together of all aspects of the transport industry, labour and management in order that a solution can be worked out. Some positive steps will also need to be taken by the government with relation to financial policy to solve the problem of inflation and the rising cost of living.

We remind ourselves, Mr. Speaker, that we are here to deal with the strike and we must deal with it effectively. We trust the government will now be able to bring forth this legislation and let us get on with it. I believe that the eyes of the nation are upon us. So far as our party is concerned, we pledge ourselves to get on with the legislation.

Mr. Pearson: I know, Mr. Speaker, that under the rules I have no right to speak again. However, there have been one or two procedural points raised and if the house so desires I could deal with them at this time. It might shorten the debate later.

Some hon. Members: Agreed.

Mr. Pearson: The right hon. Leader of the Opposition (Mr. Diefenbaker) said it would be helpful—I think he used stronger words than that—if members of the house could have the railway bill available to them before the strike legislation is debated.

This seems to be a reasonable request. The right hon. gentleman may recall that I have indicated to him that if the house could forgo debate on the resolution stage of that particular bill, which debate we know is often redundant, pass the resolution and begin debate on that bill on second reading, then perhaps this afternoon we could get first reading of the strike legislation and the passing of the resolution and first reading of the railway legislation. Then we could go on with second reading of the strike legislation and debate it or, if the members felt it desirable to have a look at this legislation for an hour or two, that could be arranged.

Mr. Diefenbaker: Before the Prime Minister goes on, and in order to get at the heart of this matter which is the strike situation, perhaps the Prime Minister would agree that it would be beneficial if we had available to us what I might call the railway bill. There is no reason why we should start in part way and accept the resolution without debate. If the house were in agreement we could have a copy of the bill given to us. We are trying to co-operate. There is no reason why these two bills should not be made available. Otherwise the position is going to be that the government will simply introduce the resolution and then there will be no debate on it. We will not have that information we usually have on these matters. We will be passing something about which we do not know anything.

We might be denied a speech by the Minister of Transport and that might put us into a transport of woe. On the other hand, it might not. What possible reason is there for not allowing us to see this bill, even without following the usual formality? Let us have it and then go on with the strike bill.

• (3:40 p.m.)

Mr. Pearson: There is only one difficulty in following that course, and if that difficulty

can be overcome I have no objection whatever to making the railway bill available at once. It is quite contrary to the rules to make a bill available to the house before it has been introduced and given first reading. If the house unanimously wished to change this regulation to make it possible, then that could be done. I suggest that there would be very little delay indeed if the house gave first reading to the strike bill, moved forward the resolution relating to the second bill and then began the debate on the second reading, the resolution stage and first reading being completed, so that both bills would then be before the house. The second bill would be before the house before the first bill had been considered, which seems to me a reasonable proposition.

Mr. Douglas: Mr. Speaker, may I again make a suggestion to the Prime Minister in the form of a question? Would the Prime Minister consider the advisability of having the legislation relating to the strike given first reading, the Prime Minister or whoever introduces the bill making his statement on second reading, then adjourning the debate to give members an opportunity to examine both the legislation and the statement of the minister and all its implications, and then moving to the general railway legislation on which we would be prepared to forego the resolution stage? However, if that is not generally acceptable could we have a statement from the minister, either on the resolution stage or on second reading, and then adjourn the house to give members an opportunity to examine the legislation and the statement of the minister? It is important that we have the opportunity to study it. It seems to me that the legislation will be long and complicated, and it would be useful to have the minister's statement on the record before we begin to discuss the legislation itself.

Mr. Pearson: Mr. Speaker, we would be very glad indeed to follow that procedure.

Mr. Diefenbaker: Mr. Speaker, with respect, all that we would have before us would be the Prime Minister's exculpatory statement without any opportunity of replying thereto. Exculpatory statements are something that we have had enough of in the last few weeks. We now want facts and the opportunity to debate them, not a postponement. We do not have to look over this long and complicated document, as it has been described by the leader of the N.D.P. If it is a long and complicated document it would be a most unusual thing for him to know that unless he has had a preview.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, there has been considerable discussion today about the introduction of one bill and the resolution relating to a second bill. Has the Prime Minister given consideration to whether or not the whole question of the railway crisis and the important, special legislation he is going to introduce are to be given priority over other business of the house? I am partial to the proposition that discussion should be strictly confined to the emergency legislation.

These matters involve a great number of points which will require consideration and co-operation. In my opinion this can be better achieved if the Prime Minister will give an indication to the house of what he intends to do during the next few days in relation to the legislation he is introducing. The Prime Minister really has not said whether this legislation is to be considered separately from our regular business or whether we are now resuming the adjourned session. While I realize that orders of the day set out the pattern, I think this question should be discussed and considered before arrangements are made for the future.

Mr. Pearson: Mr. Speaker, I am trying to suggest two things. One is that the second bill be circulated so that members will see it before the discussion on the first bill begins. Then the discussion on the first bill, which I call the strike bill, can begin and continue until the bill is decided upon. I think that for that purpose we should waive all the ordinary business of the house because, I quite agree, of its emergency character.

When the bill has been decided upon we can then go back and discuss the railway bill which will have been before members while the first bill is being considered. If that bill commends itself to the house, receives second reading and goes to a committee, I would agree entirely with what the leader of the New Democratic Party said, namely, that we should then begin a thorough and comprehensive discussion of inflation, inflationary dangers and rising costs, matters which are worrying us all.

I also agree with him that wages are only one element, and not necessarily the most important element, in these inflationary pressures. We should go on to discuss that subject. We on this side will make this provision, which I hope will be agreeable to the other

house leaders, so that there can be a discussion immediately after the railway legislation has been considered.

Mr. Thompson: Mr. Speaker, it would seem that there is a general consensus of agreement that both bills should be brought before the house prior to first reading. After all, they are related to each other, so I hope there will be agreement to this course. We could then proceed with our discussion on the first bill. We agree with the suggestion that the Leader of the Official Opposition has made.

Mr. Speaker: Order. I understand there is general agreement in the house as to the circulation or distribution of what has been called the railway bill even before the introduction of this bill in the house. Is that agreed?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, so there will be no confusion later, I sought to ask the Leader of the Opposition a question. Would he agree that the resolution stage grants permission to the government to present a bill to the house for its consideration?

Mr. Diefenbaker: But we are waiving rights and rules now.

Mr. McIlraith: Yes. I think what is in order, is to waive debate on the resolution stage so that the government will have permission to introduce and give first reading to both bills. As I understand it, that is the point.

Mr. Speaker: Is there agreement with the proposition now put forth by the Minister of Public Works?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I think the question at this time is to secure the unanimous consent of the house to bring the two bills before the house. If this was the sole question, I, for one, would agree but the fact is that the standing orders carry new provisions that the house leaders may also agree on setting a time limit on the discussion. If we agree to eliminate the resolution stage, it means that less time will be available to consider this legislation. And if, later, the house leaders unanimously agree to set a one- or two-day limit on each stage of these two bills, it may mean that we, the independents, may be entirely deprived of the opportunity to express our views on either one of these two bills.

In this case, Mr. Speaker, I feel that before the unanimous consent of the house can be given, we, or at least I, should like to know whether it is the intention of the government house leader to proceed in accordance with the new standing orders in such a way as to set a limit on each stage of consideration of the two bills and I should also like to know whether we, the independents, will have the opportunity to speak on these bills which we consider important and on which we would like to have an opportunity to express our views.

[*English*]

Mr. McIlraith: Mr. Speaker, a question seems to have been directed to me. There have been no suggestions made that the opportunity of a member to debate these measures should in any way be abridged or restricted. It was the procedural matter of getting the bills before the house which was under discussion. There was nothing done by the house leaders that would limit the right of a member to debate either bill.

• (3:50 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like the Minister of Public Works (Mr. McIlraith) to make one point clear. He has told us that there has been no consultation with a view to limiting debate at each of the stages. I should like to ask the Minister of Public Works if he will give the undertaking that discussion will not be limited at any of the stages and that we will have the opportunity to speak on these bills.

[*English*]

Mr. McIlraith: That is a matter for the house, Mr. Speaker. The procedure is there in the rules. I cannot envisage a situation where hon. members would take such a lengthy time in debating either bill that those rules would have to be used. But I would not think of giving any such guarantee on any bill in advance. With debate just started, I cannot see any possibility of this provision being used.

Some hon. Members: Agreed.

Mr. Speaker: The question for the Chair now is whether we should terminate consideration of the item before the house, which is motions. If there are no further motions, then this matter could be raised under introduction of bills. I would think it is the will of the house that we conclude the item of motions

and then proceed to the following item, introduction of bills. Perhaps a motion might be made to that effect.

ADMINISTRATION OF JUSTICE

TABLING OF REPORT OF INQUIRY RESPECTING ONTARIO SUPREME COURT JUDGE

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, there is a matter I should like to bring up under motions, if I may.

I am now tabling copies in French and in English of Mr. Justice Rand's report concerning Mr. Justice Landreville. Before doing so I wish to give notice that it is my intention to make a motion in accordance with the rules of the house at the first opportunity for an address to His Excellency praying that the judge be removed from office on the grounds set forth in the report. It is also the intention of the government to refer the motion to a committee of parliament so that the fullest inquiry can be made by parliament itself and so that the judge can be given an opportunity to appear and speak on his own behalf.

Mr. Speaker: Does the minister have leave to table the report?

Some hon. Members: Agreed.

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I ask leave to present Bill No. C-230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees.

Mr. Speaker: Is it the wish of the house that the Prime Minister shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read the second time?

Mr. Starr: Later this day.

Mr. Speaker: By consent, later this day?

Some hon. Members: Agreed.

[Mr. Speaker.]

Mr. Douglas: Mr. Speaker, we should have some clear understanding whether or not it is to be later this day. We want every opportunity to discuss and examine this bill before we debate it. So far as this party is concerned we would be prepared to proceed with second reading to the extent of having the minister introducing the bill make a full and clear statement. We think, however, that the debate should certainly be adjourned then in order to allow hon. members an opportunity to digest it. Otherwise we shall ask that the debate on the bill be left over until tomorrow.

Mr. McIlraith: Could I ask a question of the hon. member by way of clarification. Would his remarks apply equally if the house were to proceed with the second reading stage to the point of the presentation of the bill by the government followed by the reply by the Leader of the Opposition before the adjournment?

Mr. Douglas: If the official opposition are going to reply I think the other parties must have the same right at the same time.

Some hon. Members: Oh, oh.

An hon. Member: You are holding it up.

Mr. Douglas: It seems to me that before we have the debate on this legislation we should have an opportunity to study it and examine it in detail. If the feeling is that the house does not want to adjourn after the minister has introduced the bill and made his statement, I should think it would be better to leave the debate until tomorrow.

An hon. Member: Why wait?

Mr. Speaker: The question before the Chair is whether, by unanimous consent, the said bill is to be read a second time later this day.

Some hon. Members: Agreed.

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I understand that in conformity with the order of the house it is now in order for me to ask leave to move the first reading of Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

An hon. Member: Four years too late.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a feeling of great unease as to what we are now asked to do by the suggestion of the Minister of Transport. As I understand it, we all want to see the bill and the government is prepared to facilitate that by having it circulated. I suggest that consent should be confined to having the bill circulated for the information of hon. members. I say this because I have very grave reservations that we cannot, without violating the constitution, proceed with the bill as has been suggested by the minister because under the constitution there is a provision to the effect that there must be a resolution before we can proceed with a bill of this sort.

If we were just waiving a rule of the house, that would be different but we would be disregarding a constitutional provision. Therefore I think it would be much simpler, with less danger of creating such a far reaching precedent, if we simply consented to circulating the bill so that we can see it, to which the leaders of all parties have consented.

Mr. Pickersgill: Mr. Speaker, I fear that the house is going to put itself, or the government, into a very awkward position by following the suggestion of the hon. member for Kamloops. A resolution, as he well knows, asks the house to decide whether it is expedient to introduce a bill. It has always been the practice that the expediency is based exclusively on the financial conditions of the bill. Unless there were some understanding that we were not to debate the bill on the resolution stage but on second reading, matters would be complicated still further.

I think the suggestion I have made meets the wishes of all hon. members. It is that we formally accept the resolution. I have a very lengthy description of the bill which I do not think I would be permitted to read at the first reading stage but which I had intended to use in committee on the resolution if the committee stage had been held. I would be quite happy, without reading it, to have it circulated with the bill to all hon. members.

• (4:00 p.m.)

The bill itself, I might say, is 68 pages long. It contains nearly 100 clauses, and it is very difficult to get through quickly without a guide of some sort. My suggestion is that we be permitted to deal with the resolution stage and get first reading of the bill. It seems to me that this would in no way abridge any opportunities for debate. Since it seems to be the universal view that it is expedient to have this legislation introduced—maybe it will not be considered expedient to pass it but at any rate we agree it should be introduced—I would be glad to have this mimeographed document, which I assure hon. members is simply a description of the bill in layman's language, distributed with the bill itself. This would help all hon. members to comprehend it. There are plenty of copies of the bill and of this document available, and if we could pass the resolution and then be given leave to introduce the measure I would be glad to make them available at once.

Some hon. Members: Agreed.

Mr. Speaker: Has the Minister of Transport unanimous consent?

Some hon. Members: Agreed.

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

That it is expedient to introduce a measure to define a national transportation policy for Canada suited to modern transportation requirements and to establish a national transportation authority to effect the objectives of the national transportation policy; to provide for new methods of fixing freight rates and for the rationalization of branch lines of railway and passenger train services; to authorize the payment from the Consolidated Revenue Fund by way of assistance to permit of orderly adjustment to the new freight rate of structures and the removal of other forms of assistance to railways; to authorize the payment of assistance from the Consolidated Revenue Fund to railway companies where they are required to maintain uneconomic branch lines or passenger train services in operation for the public good; to authorize payments to maintain the prevailing level of At and East freight rates on grain; to permit certain grants to be made from the Railway Grade Crossing Fund for a further period of three years beyond January 31, 1967; to authorize agreements relating to the carriage by rail of Her Majesty's mail and members of the Canadian Forces and police travelling on Her Majesty's service; to provide for the administration of commodity pipe lines, extra-provincial motor vehicle transport and water transport within the context of the national transportation policy, and to provide further for other matters consequential upon or related or incidental to any of the foregoing.

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

Mr. Douglas: Mr. Chairman, I wish to make it perfectly clear that in agreeing to the passing of this resolution we are doing so solely for the purpose of seeing the bill and having the opportunity to discuss it. Our

agreement to the passing of this resolution does not necessarily constitute an endorsement of the principles of the legislation which is to follow.

Mr. Pickersgill: That is clearly understood and no advantage will be taken of the indulgence of the house to suggest there was anything more than the desire to see the bill quickly.

Mr. Diefenbaker: That is the undertaking which was made originally. Therefore no further undertaking of any kind is necessary.

Mr. Pickersgill: Exactly.

Mr. Thompson: On behalf of this group may I also say that permitting this resolution to go through at the present time does not involve any commitment to or agreement with the bill itself. It will merely facilitate our having the bill before us.

Some hon. Members: Oh, oh.

Resolution reported and concurred in.

Mr. Pickersgill thereupon moved for leave to introduce Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

Motion agreed to and bill read the first time.

SUPREME COURT ACT

AMENDMENT RESPECTING PAYMENT OF COSTS

Mr. H. W. Herridge (Kootenay West) moved for leave to introduce Bill No. C-232, to amend the Supreme Court Act (payment of costs).

He said: Mr. Speaker, I introduce this bill because I am opposed to practices which discriminate against any Canadian people whether on grounds of race, creed or colour, or because of educational differences—by the way, I happen to be one of those who do not possess much education and therefore would suffer from this limitation.

Some hon. Members: Oh, oh.

Mr. Herridge: Under our system of law every person has the right to appear in person before the courts of justice and tribunals and handle his case personally. However, if a decision is rendered in his favour he may be unable to be reimbursed his costs, disbursements and reasonable expenses in the same manner as if he had a lawyer handling his case.

The purpose of this bill is to provide that in the Supreme Court of Canada, which is the keystone of our judicial system, the private individual who, after having pleaded his own case, is awarded his costs will be entitled to the same costs as a lawyer handling his own case.

Motion agreed to and bill read the first time.

• (4:10 p.m.)

BUSINESS OF THE HOUSE

CONSIDERATION OF ROUTINE PROCEEDINGS DURING SPECIAL DEBATE

Mr. Speaker: Questions.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, on a point of order, it was my understanding that in respect of the agreement given to the introduction of the railway legislation the Prime Minister had agreed that the railway legislation was of an extremely important nature and therefore other business of the house would be suspended until that business had been concluded. But now we are proceeding as though this is a regular session, which I believe is not in keeping with the remarks of the Prime Minister unless he misunderstood the question I asked him. I would like the house leader to give some indication of whether or not the government intends to embark on regular sessional business.

Mr. Speaker: I am sure the hon. member knows we are just going through routine proceedings. I assume that in due course, after routine proceedings, we shall get to government orders at which time I gather the legislation in question will be debated. If it is the desire of the house that routine business be suspended today this procedure could be followed, but there has been no such request or suggestion made until now.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I did not understand that the hon. member's remarks were meant to apply to routine proceedings. Perhaps he may want to clarify that. It never occurred to me that the agreement was meant to exclude the answers to order paper questions.

Mr. Diefenbaker: Or anything else.

Mr. Peters: I think we should concentrate on the other legislation and leave the routine proceedings until later. I know we have the routine proceedings before us but we should waive them until these other two matters are settled. I understood that was the agreement. If we embark on the adoption of committee reports we shall be back in a regular session and it will be said that we are not handling the railway strike as an emergency.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sorry if I said anything that was misunderstood. I thought I had agreed—and of course all I could do was agree because it was for the house to decide—that we should waive consideration of all legislation until we had finished the railway legislation so that we could go straight ahead with that legislation. I was not of the impression that that covered routine proceedings. That would be a matter for the house to decide, not the government.

If we could carry on as we are now doing today, perhaps the house leaders could get together and see if any further agreement is needed to proceed with the railway legislation. I suggest that if we can carry on today perhaps we can do away with private members' hour, which would give us an extra hour for discussion of the railway legislation.

Mr. Speaker: Order. It is my understanding that we continue with routine proceedings. Is it an order of the house that we suspend the private members' hour?

Some hon. Members: Agreed.

Mr. McIlraith: I wonder if we could have that order concerning private members' hour extended throughout the discussion of both the strike bill and all stages of the railway bill up to the conclusion of second reading?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VICTOR SPENCER—AMOUNTS PAID ON DISMISSAL

Question No. 972—**Mr. Cashin:**

1. What moneys, if any, have been paid or refunded to Victor Spencer by any agency of government since termination of his employment in the Post Office Department?

2. If any moneys were paid, on what grounds was such payment or refund made to Victor Spencer?

3. What civil service pension would Victor Spencer have received had his employment been terminated in the normal way?

Hon. Jean-Pierre Côté (Postmaster General): 1. (a) Balance of salary due at time of separation because of vacation leave to his credit and which he had not taken.

Gross amount	$162.27
Less deductions	
Supplementary death benefit premiums for 6 months	12.00
Canada Pension Fund	2.92
Income tax	24.32
Net amount of cheque	$ 123.03

(b) Return of superannuation contributions

Gross amount	$4,759.07
Less income tax	475.91
Net amount	$4,283.16

2. (a) Section 63 (1) of the Civil Service Act provides for the granting of vacation pay. At the time his sick leave with pay was exhausted he had eight days vacation pay to his credit. (b) Mr. Spencer was dismissed under section 50 of the Civil Service Act on grounds considered as misconduct under the Public Service Superannuation Act and section 11 (e) of the Public Service Superannuation Act provides for a return of contributions.

3. He would have been eligible for an annual allowance of $1,833.70 less a deduction of $120 per annum covering arrears payments for service in world war II, had his employment been terminated in the normal way.

*BONUSES TO BILINGUAL POLITICIANS

Question No. 1,259—**Mr. Allard:**

Does the government intend to grant bonuses to political party leaders, members of the House of Commons and senators who use both of Canada's official languages?

[*Translation*]

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the answer is no.

[*English*]

BRANCHES OF FOREIGN COMPANIES IN CANADA

Question No. 1,296—**Mr. Allard:**

1. When a foreign company wishes to open a branch in Canada, must it apply to any federal department or agency and, if so (a) to which one.

Questions

(b) what are the names of the senior officials or of the persons in charge in such department or agency with whom foreign companies must discuss their plans?

2. Under what conditions may foreign companies establish branches in Canada?

3. Is there continuing liaison or a two way information service between the federal government and the provinces with regard to the establishment in Canada of branches of foreign companies?

4. Does the federal government operate publicity or recruitment offices in foreign countries for the purpose of attracting new industries to Canada and, if so (a) in what countries (b) how do these industrial recruitment offices operate (c) what are the standards or principles applied by the federal government or the department or agency concerned to promote the establishment in Canada of branches of foreign companies (d) are there any financial or other instructions in existence in regard to this, and, if so, when were they established?

5. What assistance may the city of Sherbrooke obtain from the federal government or from the department or agency concerned in bringing foreign companies to establish branches within its limits?

6. When a Canadian company or branch wishes to resettle or open a new branch in another province, must it comply with any formalities established by the federal government or by one of its departments or agencies?

7. In 1964 and 1965, how many foreign companies opened branches in Canada, how many in each province, and from what countries?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Industry, Trade and Commerce and my department as follows:

1. A foreign company which wishes to open a branch in Canada does not have to obtain or ask for a licence or other similar authority from the federal government. This is a provincial matter. Subparagraphs (a) and (b) become not applicable.

2. Under provincial laws.

3. Copies of general inquiries received from foreign industry concerning area development benefits and locations of designated areas are referred to the various provincial departments of industry. Any enquiry relating to a specific province is sent on to that province for direct reply. Provincial departments of industry are also advised of any applications for area development benefits received from foreign companies provided such disclosure is agreed to by the companies.

4. The Department of Trade and Commerce, through its trade commissioners stationed abroad, assists foreign industrialists interested in establishing operations in Canada. The trade commissioner processes any inquiries received through the Department of Trade and Commerce to the Department of Industry.

[Mr. Allard.]

5. The area development agency employs a number of officers trained in industrial development and promotion techniques who are available to assist provincial and municipal governments in formulating programs designed to attract industry, whether domestic or foreign, to designated areas.

6. No.

7. Information on the number of foreign companies opening branches in Canada is not available in the Dominion Bureau of Statistics.

CENTRES WHERE BILINGUALISM REQUIRED

Question No. 1,354—**Mr. Ricard:**

What are the centres in Canada where the knowledge of both official languages will be necessary in order to hold a post in the civil service of Canada, according to the requirements of the declaration made by the Prime Minister on April 6, 1966, on the subject of bilingualism in the civil service?

Hon. Judy V. LaMarsh (Secretary of State): I have been given the following information by the Civil Service Commission: Appendix No. 7 to the staffing manual of the Civil Service Commission has been compiled for the guidance of staffing officers in reaching decisions as to the official language composition of the clientele served by any given office. This appendix was submitted as an attachment to the answer to Mr. Bell's question No. 944, *Votes and Proceedings* No. 33, March 3, 1966.

INDIAN PAVILION, EXPO '67

Question No. 1,379—**Mr. Thompson:**

1. Did an Iroquois chief claim that the Tekakwitha Island, proposed for a permanent Indian pavilion near the Expo '67 site, was donated without the authority of the Indian council on the Caughnawaga reserve and, if so, is this claim correct?

2. What are the arrangements for the distribution of profits from the commercial aspects of the proposed Indian centre on the island?

3. Have the Indians of the Caughnawaga reserve co-operated with the R.C.M.P. in investigating the activities of certain Montreal business interests in connection with the commercial aspects of this venture?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Northern Affairs and National Resources and the Royal Canadian Mounted Police as follows:

1. The Department of Northern Affairs and National Resources did not receive any submission claiming that the Tekakwitha island was donated without the authority of the Caughnawaga band council. The alienation of the Indian reserve land can only be authorized in accordance with the provisions

of the Indian Act and the department did not receive a request to donate land on the Caughnawaga Indian reserve.

2. Chief Andrew Delisle of the Caughnawaga band informed the Department of Northern Affairs and National Resources that no arrangements have been made.

3. The R.C.M. Police has not been requested to carry out, nor has it carried out, any investigation with respect to the activities of certain Montreal business interests in connection with the commercial aspects of the proposed Indian centre on Tekakwitha island.

DEMURRAGE CHARGES, VANCOUVER

Question No. 1,403—**Mr. Horner (Acadia):**

1. What was the total amount of demurrage paid by the grain companies to the railroads at the Vancouver port for the months of August, September, October, November, December, January and February of 1965 and 1966?

2. What were the total demurrage charges paid by freighters at the Vancouver port waiting at the docks for grain for the same months?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Agriculture, Finance, Trade and Commerce and Transport as follows: 1. No information available.

I am informed by the Department of Finance as follows: 2. The time allowed in Canadian ports for ships waiting to load grain for export before demurrage is charged and the rate of demurrage charged, is a matter of contract negotiation between the shipping company and the exporting company. Information with respect to the amount of demurrage charged is not available.

AIR CANADA—FLIGHT ACCOMMODATION FROM OTTAWA

Question No. 1,527—**Mr. Mongrain:**

1. Has the government received any complaints lately to the effect that there exists at present a shortage of seats on Air Canada aircraft leaving Ottawa for all destinations?

2. Will the government consider adopting measures to improve this service?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. No.

2. The Air Transport Board has the general question of the availability of seats on Air Canada's routes under review. Air Canada is aware of the shortage of accommodation on certain flights and its purchase of new equipment which is currently being introduced into service should improve the situation.

ADMINISTRATIVE SUPPORT CATEGORY, PUBLIC SERVICE

Question No. 1,541—**Mr. Bell (Carleton):**

1. What occupational groups are in the administrative support category?

2. How many public servants are in this category?

3. What specifically are the new classification and pay plans for this category?

4. As of what date will they be effective?

5. What standards have been used to support the new plans?

6. Has a point rating approach to job evaluation been used in any of the groups?

7. If so, in what groups and what is its basis?

8. What is meant by a holding classification and how is an employee affected in the matter of pay and progress by being placed in such a classification?

9. How many persons in each group have been placed in a holding classification?

10. What is meant by a position being "red circled" and how is an employee affected in the matter of pay and progress by being placed in a "red circled" position?

11. How many persons in each group have had their positions "red circled".

12. What is the procedure available to an employee for review of his position affected by these procedures?

13. How many employees have adopted such procedure seeking review?

14. What has been the result of these reviews?

15. Were the staff associations consulted about the various aspects of the new classification and pay plans mentioned above and, if so, did they agree thereto?

16. What other categories are under study at the present time for classification revision?

17. When is it expected the plans for each of these categories will be approved?

18. As of what date is it proposed the plans for each of these categories will be effective?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Civil Service Commission as follows: 1. Communications Group; Data Processing Group; Clerical and Regulatory Group; Office Equipment Operation Group; Secretarial, Stenographic, Typing Group; Telephone Operation Group.

2. 57,305 positions are being converted.

3. Communications Group: Level 1, $3,242, $3,352, $3,462, $3,572, $3,682; Level 2, $4,116, $4,252, $4,388, $4,524; Level 3, $4,598, $4,750, $4,902, $5,054; Level 4, $4,827, $4,986, $5,145, $5,304; Level 5, $5,281, $5,455, $5,629, $5,803. Data Processing Group: Level 1, $2,613, $2,730, $2,847, $2,964, $3,081, $3,198, $3,315, $3,432,

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$3,549, $3,666, $3,783, $3,900; Level 2, $3,941, $4,071, $4,201, $4,331; Level 3, $4,232, $4,371, $4,510, $4,649; Level 4, $4,714, $4,869, $5,024, $5,179; Level 5, $4,940, $5,103, $5,266, $5,429; Level 6, $5,366, $5,543, $5,720, $5,897; Level 7, $6,164, $6,367, $6,570, $6,773; Level 8, $7,988, $8,251, $8,514, $8,777. Clerical and Regulatory Group: Level 1, $2,480, $2,571, $2,662, $2,753, $2,844, $2,935, $3,026; Level 2, $3,352, $3,462, $3,572, $3,682; Level 3, $4,116, $4,252, $4,388, $4,524; Level 4, $4,598, $4,750, $4,902, $5,054; Level 5, $5,281, $5,455, $5,629, $5,803; Level 6, $5,735, $5,924, $6,113, $6,302; Level 7, $6,822, $7,047, $7,272, $7,497. Office Equipment Operation Group: Level 1, $2,472, $2,582, $2,692, $2,802, $2,912, $3,022, $3,132, $3,242, $3,352, $3,462, $3,572, $3,682; Level 2, $4,116, $4,252, $4,388, $4,524. Secretarial, Stenographic, Typing Group: Level 1, $2,571, $2,662, $2,753, $2,844, $2,935, $3,026; Level 2, $3,123, $3,226, $3,329, $3,432; Level 3, $2,593, $2,709, $2,825, $2,941, $3,057, $3,173, $3,289, $3,405, $3,521, $3,637, $3,753, $3,869; Level 4, $3,834, $3,960, $4,086, $4,212; Level 5, $4,116, $4,252, $4,388, $4,524; Level 6, $4,598, $4,750, $4,902, $5,054; Level 7, $5,281, $5,455, $5,629, $5,803; Level 8, $6,107, $6,308, $6,509, $6,710; Level 9, $7,053, $7,285, $7,517, $7,749. Telephone Operation Group: Level 1, $2,461, $2,562, $2,663, $2,764, $2,865, $2,966, $3,067, $3,168, $3,269, $3,370; Level 2, $2,594, $2,701, $2,808, $2,915, $3,022, $3,129, $3,236, $3,343, $3,450, $3,557; Level 3, $3,436, $3,549, $3,662, $3,775; Level 4, $3,806, $3,931, $4,056, $4,181; Level 5, $4,172, $4,310, $4,448, $4,586.

4. October 1, 1965.

5. Written standards for each group, incorporating category and group definitions, definitions of level determinants, or rating scales, and, except for the Telephone Operation Group, descriptions of bench mark positions were developed by the Civil Service Commission's Bureau of Classification and Revision in consultation with interested staff associations. The standards were reviewed by the Classification Policy Group, which consists of the Civil Service Commissioners, the Secretary of the Treasury Board and the Chairman of the Preparatory Committee on Collective Bargaining in the Public Service, prior to being given formal approval by the Civil Service Commission.

6. Yes.

7. Clerical and Regulatory Group, and Data Processing Group. The factors and the maximum weights assigned to each factor are:

[Miss LaMarsh.]

Clerical and Regulatory Group:	Maximum
Knowledge	350
Complexity	300
Consequence of Error	100
Responsibility for Contacts	100
Supervision	150
	1,000

Data Processing Group:	Maximum
Skill and Knowledge	350
Complexity	300
Consequence of Error	150
Responsibility for Contacts	50
Supervision	150
	1,000

8. A holding classification is a classification established to provide for an employee whose position has been evaluated under the new system as belonging to a group and level with a lower maximum salary than that applicable to his old classification. An employee is assigned to a holding classification in order that he may continue to receive his existing rate of pay and progress in the normal manner to his old maximum rate. The rates of pay holding classifications are not revised. An employee in such a classification is moved to the classification associated with his position when it becomes financially advantageous for him to do so. In the meantime he is eligible for promotion to higher level positions in accordance with the merit system.

9. Since not all departments have completed the allocation of their personnel to the new groups, statistics are not yet available.

10. "Red-circled" positions are those assigned to a holding classification as described in 8.

11. Final statistics are not yet available.

12. The employing departments are informing all employees in the Administrative Support Category of the effects on them of the conversion program. Any employee assigned to a holding classification who feels that the new standards have not been properly applied in evaluating his position is expected, in the first instance, to discuss the matter with his immediate supervisor. If he is not satisfied with the result of this, he has a right to raise the matter with his personnel office. If he is still not satisfied, the personnel office refers the matter to the Civil Service Commission for review by the Senior Classification Review Officer.

13 and 14. No requests for review have as yet been referred to the Chief Classification Review Officer. Employees were not notified of their right to request reviews until after May 4, 1966. They are required to initiate the request for review within 30 days after being notified. No information is available on the number of employees who are processing requests for review at the departmental level.

15. Yes. They indicated agreement with the classification plans. They were not in agreement with the policy of basing the levels of pay for the new groups on the level of pay in effect for the old classification at the time of conversion.

16, 17 and 18. The other categories under study with the expected date of approval of classification and pay plans and the effective dates of conversion are:

Category	Expected Date of Approval	Effective Date
Administrative	Sept. 15, 1966	Oct. 1, 1965
Operational	not established	Oct. 1, 1966
Scientific and Professional	not established	July 1, 1967
Technical	not established	July 1, 1967
Executive	not established	July 1, 1967

JOE BONANNO—VISITS TO CANADA

Question No. 1,586—**Mr. Nielsen:**

1. Has the R.C.M.P. and/or the Department of Justice any knowledge that the Mafia leader, Joe Bonanno, has been in Canada on a number of visits during the past year?

2. Has there been any communication received in this connection by the R.C.M.P. or the Department of Justice at any time during the last 18 months from the Department of Citizenship and Immigration and, if so, on what dates?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Royal Canadian Mounted Police and the Department of Justice as follows:

1 and 2. No. It is not the policy of the R.C.M. Police to disclose knowledge of individuals entering or leaving the country, unless a charge has been laid, or unless requested by another police force or relatives.

OPERATIONS IN CANADA OF U.S. INTELLIGENCE AGENCY

Question No. 1,588—**Mr. Brand:**

1. Has the Solicitor General any information to indicate that the central intelligence agency has had operatives in Canada during the last year?

2. If so, does the C.I.A. operate in Canada with the knowledge and consent of the government of Canada?

3. Has the Solicitor General knowledge of any critical and unacceptable statements made by representatives of the C.I.A. regarding Canadians who are members of various ethnic organizations and, if so, have any official protests been made to the administration in Washington?

Hon. L. T. Pennell (Solicitor General): 1 and 2. As the Secretary of State for External Affairs indicated in the house on May 20, the central intelligence agency does not carry on operations in Canada. There is however a continuing reciprocal exchange between Canadian and United States officials having responsibility for matters of mutual concern in the field of national security. There have been discussions in Canada from time to time with C.I.A. representatives in this context.

3. This question presumably refers to the judicial proceedings not yet completed in the United States involving Eerik Heine. The Secretary of State for External Affairs indicated in the house on May 6 that the matter was under discussion with the United States and that he would share the concern of the Leader of the Opposition if the facts as they eventually appear warrant the conclusion which the Leader of the Opposition placed upon them.

PRODUCTIVITY INCREASE IN MANUFACTURING INDUSTRY

Question No. 1,598—**Mr. Hees:**

1. On what date was the industry branch transferred from the Department of Trade and Commerce to the Department of Industry?

2. On what date did the productivity council cease to operate?

3. What was the percentage increase in productivity in the manufacturing industry in Canada during each of the years 1961, 1962, 1963, 1964, 1965?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Industry, the Privy Council Office and the Department of Trade and Commerce as follows:

1. October 1, 1963.

2. Subject to section 22 of the Economic Council of Canada Act, the national productivity council ceased to operate on August 2, 1963.

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3. Annual Percentage Increase of Productivity Relative to Preceding Year Manufacturing, Canada, 1961-65:

Year	Output per Person Employed
1961	4.0
1962	4.3
1963	3.8
1964	4.3
1965 (preliminary)	4.0

Note: These figures reflect the latest revisions in the index of industrial production. For instance, the 1964 gain over 1963 on the old basis was 3.3 per cent compared with the revised figure of 4.3 per cent.

DEATH AGES

Question No. 1,620—**Mr. Orlikow:**

1. What was the average age of death for all Canadians—male and female—for the last year for which figures are available?

2. What was the average age of death for Canadian Indians—male and female—for the same year?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and National Health and Welfare as follows:

1. The average age of death for Canadians in 1964 is as follows: Male, 60.8; female, 64.5.

2. 1964—Male, 33.67; female, 36.82.

EMPLOYMENT SERVICE OFFICERS, ONTARIO

Question No. 1,641—**Mr. Saltsman:**

Have any employment officers of the Unemployment Insurance Commission and the National Employment Service been examined for the new positions of employment service officer of cities over 30,000 population in Ontario and, if so (a) how many (b) how many have passed exams (c) how many of those who passed possessed university degrees?

Hon. Judy V. LaMarsh (Secretary of State): Except in the case of the competition noted below, only officers of the National Employment Service have been examined. (a) 645; (b) 446; (c) 65.

Note: A closed competition open to employees of the Unemployment Insurance Commission and the Department of Labour, including the National Employment Service, was held to fill approximately 75 vacant manager positions at various offices of the National Employment Service throughout Canada, including seven offices in cities in Ontario with population over 30,000. The classification levels of the positions advertised in this competition range from employment service officer 3 to employment service officer 8.

339 applications were received in this competition; 10 applicants subsequently withdrew, and 329 applicants were considered.

The number of successful applicants in the competition for each level of position is as follows:

Employment service officer 8, 2 (None have a university degree); Employment service officer 7, 2 (One has a university degree); Employment service officer 6, 13 (None have a university degree); Employment service officer 5, 16 (Two have university degrees); Employment service officer 4, 32 (Three have university degrees); Employment service officer 3, 43 (One has a university degree).

*NATIONAL INDIAN DAY DURING CENTENNIAL

Question No. 1,668—**Mr. Diefenbaker:**

Will the government set aside a day during the centennial year, 1967, to be known as "national Indian day", so that the deserved honour will be done to Canada's first citizens?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I am advised by the board of directors of the centennial commission that consideration was given to the establishment of special national days during 1967 and the idea rejected by the board on grounds it would be improper to single out any one group for such honour, and virtually impossible to provide special days for all groups which make up Canada's social fabric.

NAVIGATION SURVEY, NELSON RIVER

Question No. 1,690—**Mr. Stefanson:**

Has the federal government carried out a survey on the Nelson river to ascertain if navigation is possible and feasible and, if so, when and by whom was this survey conducted and what are the findings?

Hon. G. J. McIlraith (Minister of Public Works): Yes, in 1909 by Mr. E. S. Miles. The survey showed that to establish nagivation would be an undertaking of considerable magnitude which could not be economically justified.

NAVIGATION SURVEY, SASKATCHEWAN RIVER

Question No. 1,693—**Mr. Stefanson:**

Has the federal government carried out a survey on the Saskatchewan river to determine if navigation is possible and feasible and if so, when was this survey conducted and by whom and what are the findings?

Hon. G. J. McIlraith (Minister of Public Works): Yes, between the years 1910-1915 by Mr. L. R. Voligny. A review of the report was made in 1961 at which time it was concluded that there would not be a sufficient volume of traffic to provide significant transportation savings to set against the heavy capital and operational costs which would be involved in the construction of the waterway.

STAFF HOUSING, SPRINGHILL PENAL INSTITUTION

Question No. 1,703—**Mr. Coates:**

1. Has the government initiated any action to develop new housing in the Springhill area to provide accommodation for employees of the Canadian penitentiary service who will be located at Springhill, Nova Scotia, when the young offenders' penal institution is completed and in operation this fall?

2. Has C.M.H.C. initiated any special action that would be of assistance in providing the required housing for the new personnel who will be associated with the penal institution in Springhill?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Solicitor General and Central Mortgage and Housing Corporation as follows: 1. No.

2. Central Mortgage and Housing Corporation have held discussions with officials of the town of Springhill to assure them that the full provisions of the National Housing Act are available to meet the needs of the community.

POLLUTION OF WINNIPEG RIVER

Question No. 1,722—**Mr. Schreyer:**

1. Has the federal government involved itself in any way with a study of pollution on the Winnipeg river in regard to pollution of the river in the areas in near proximity both to Kenora, Ontario, and to Pine Falls, Manitoba?

2. If there has been involvement, what action has been taken by the federal government to deal with this problem in these two areas mentioned and have the provinces of Ontario and Manitoba joined in any such anti-pollution program?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by several departments as follows:

1. No. The Department of Mines and Technical Surveys operated a water quality sampling station for a few years up to 1962 near Pine Falls. Data were obtained on chemical character of the water but not specifically related to pollution.

2. Not applicable.

ARDA PROJECTS, KAMOURASKA-L'ISLET CONSTITUENCY

Question No. 1,735—**Mr. Dionne:**

To date have any projects been submitted to government authorities under the provisions of ARDA by the south shore development board or any other organization representing the constituency of Kamouraska-L'Islet and, if so, how many?

Answer: Ten.

APPOINTMENT OF WHARFINGER, GRAVENHURST, ONT.

Question No. 1,739—**Mr. Aiken:**

1. Has a wharfinger recently been appointed for Muskoka Wharf on Lake Muskoka at Gravenhurst, Ontario?

2. If so, what is the name of the appointee?

3. How will the wharfinger be paid for his services, and what amount?

4. What person or corporation requested the appointment of a wharfinger?

5. How many persons applied for this position?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. Charles A. Miller.

3. For his services, the wharfinger retains a portion of the tolls and dues collected for use of the wharf at the following annual rates:—100 per cent of the first, $100 collected; 90 per cent of the next, $300 collected; 50 per cent of the next, $300 collected; 25 per cent of the next, $1,800 collected; 15 per cent of the next, $13,500 collected; 5 per cent of any remainder.

4. The corporation of the town of Gravenhurst.

5. Three.

FUEL SUPPLY, HALIFAX AIRPORT

Question No. 1,745—**Mr. Forrestall:**

1. Who supplies aviation fuel at the Halifax international airport?

2. What equipment does the supplier have available to service (a) Air Canada (b) other users?

3. Since the opening of this airport, has any firm brought to the attention of the government through any of its officials, any comments about the adequacy, or otherwise, of refuelling services?

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Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Imperial Oil Limited.

2. (a) and (b) Equipment is not specifically allotted to individual airlines. Available equipment is as follows:—2, 7,000 gallon trailers supply JP 4 fuel; 1, 7,000 gallon trailer supplies JP 1 fuel; 1, 2,000 gallon trailer spare; 1, 4,000 gallon trailer supplies 115 Octane Avgas.

3. Not in so far as the Department of Transport is concerned.

MAINTENANCE COST OF CERTAIN AIRDROMES

Question No. 1,747—**Mr. Forrestall:**

What is the annual total operating cost to the Department of Transport of maintaining each of the following aerodromes (a) Lac Des Loups (b) La Macaza (c) Bonnechere (d) Muskoka (e) Earlton?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The latest available figures, fiscal year 1965/66 are: (a) Lac Des Loups $18,622; (b) La Macaza, Nil; (c) Bonnechere, $19,032; (d) Muskoka, $26,218; (e) Earlton, $52,134.

SHORTAGE OF COMMERCIAL PILOTS

Question No. 1,748—**Mr. Forrestall:**

1. Is there a shortage of commercial air pilots in Canada?

2. Will the government consider having the Canada Student Loans Act amended in order to permit those citizens, intent on making commercial air piloting their profession, to be eligible for government loans?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Transport and Finance as follows: 1. The situation in this regard fluctuates from time to time but at the present time a shortage exists.

2. The Canada Student Loans Act authorizes the Minister of Finance to guarantee loans to students in need of financial assistance. The loans themselves are made, however, by branches of the chartered banks and by designated credit unions across the country, and only to students to whom certificates of eligibility have been issued by the appropriate authorities of participating provinces. A measure of this nature in order to be effectively administered, must be general in its scope. The act was designed to assist that large body of students who wish to carry on university and other regular forms of post-secondary education. To this end, the act applies only to students who are engaged in post-secondary educational courses and in courses that last throughout an academic year of not less than 26 weeks. While the benefits of the act are available to the large majority of students, it could not be designed to incorporate many special and deserving courses. An amendment specifically to make pilot training eligible is not considered to be appropriate in these circumstances.

FLIGHT DIVERSIONS, HALIFAX AIRPORT

Question No. 1,752—**Mr. Forrestall:**

1. Have any intended international landings been diverted from Halifax international airport during the next two months and, if so (a) how many (b) for what reason were these flights diverted (c) what action has been taken, or will be taken, to correct the reasons for the diversions (d) was there any discussion regarding such diversions either before or after a decision to divert from Halifax was taken between Eagle-Lion and the Department of Transport?

2. If there were discussions, was any reference made to the adequacy of refuelling services by either the responsible government authority or the affected airline authority?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The following intended international landings diverted from Halifax international airport as reported by Allied Aviation, New York are (a) five (b) three diversions on account of refuelling times, one diversion due flight plan change (no reason given), one diversion due weather, (c) Imperial Oil has already taken appropriate action to ensure adequate availability of fuelling trailers at all times at Halifax international airport (d) no.

2. No discussions re refuelling services.

*REPRESENTATION AT HUMAN RIGHTS CONFERENCE

Question No. 1,756—**Mr. Diefenbaker:**

1. Has the government received a request from the Canadian Federation of Business and Professional Women's Clubs regarding appointments to the planning committee of the Canadian conference on human rights that approximately one half of the membership should be women?

2. Has the government agreed to this reasonable request?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): 1. The president of the Canadian Federation of Business and Professional Women's Clubs wrote to all members of the government on June 17 asking that women be represented, and I quote:

—in proportion to their numbers in the total population—

—on any such planning committee.

2. The Prime Minister in his reply of June 21 noted that the government was giving consideration to the question of a Canadian conference on human rights in 1968, but that no decision had yet been made and no planning committee established. He offered the assurance that should such a committee be established the interest of women in this subject would be fully taken into account.

*ESCROW ACCOUNT, WORLD WIDE AIRWAYS

Question No. 1,758—**Mr. Bell (Saint John-Albert):**

1. Were certain funds held in escrow by the Air Transport Board for World Wide Airways on special overseas passenger flights and, if so, what disposal has been made of said monies?

2. Were employees of World Wide Airways paid their full salaries prior to disposal of said monies and, if not, for what reason?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Air Transport Board advises as follows:

1. Funds were not held in escrow by the Air Transport Board. At the direction of the Air Transport Board World Wide Airways Inc. were required to deposit in an escrow account with the Bank of Montreal 50 per cent of all advance payments received from international charter groups. On completion of each portion of the charter the company was permitted to transfer from the escrow account into its general funds account 50 per cent of the original deposits.

On August 12, 1965, because World Wide Airways Inc. was unable financially to complete its outstanding charter commitments its licence was suspended and arrangements were made with Nordair Limited to complete these flight. All funds in escrow account to which World Wide had entitlement were paid to that company. Subsequently the funds remaining in the escrow account were transferred to Nordair as partial payment of its costs in completing the World-Wide charters.

2. The Air Transport Board does not have information relating to the settlement of outstanding salaries. The escrow account was established purely to protect the travelling public from failure of the carrier to perform flights for which payment was made in advance of services rendered.

C.N.R. COASTAL BOATS UNDER CHARTER

Question No. 1,762—**Mr. Douglas:**

1. Has the Canadian National Railway any boats under charter and engaged in coastal trade on the east coast and, if so, how many such boats are under charter?

2. Has the Canadian National Railway any boats under charter and engaged in coastal trade on the west coast and, if so, how many such boats are under charter?

3. Has the Canadian National Railway any plans for increasing its own fleet of coastal boats?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes, in the Cabot strait and Newfoundland coastal service. The vessels are on a trip to trip charter and the number varies according to freight commitments which exceed what the railway operated boats can handle. During 1966, the number of boats under charter has ranged from three to fifteen.

2. No.

3. No. However, the federal government has under construction three ferries for subsequent service on the east coast.

DROUGHT AID, OTTAWA VALLEY FARMERS

Question No. 1,767—**Mr. Horner (Acadia):**

1. What was the total amount of money spent by the federal government in 1965 in aid of drought-stricken farmers in the Ottawa Valley?

2. How much money was spent in the specific effort of trying to make rain and did these efforts produce any rain?

Hon. J. J. Greene (Minister of Agriculture): 1. The provinces of Quebec and Ontario are not required under the terms of the agreements, with respect to special cost shared crop loss assistance programs, to provide a breakdown of payments to farmers by areas and final costs of these programs will not be known until the provinces complete the redemption of coupons provided to farmers to secure feed and fodder requirements from suppliers.

During the fiscal year 1965-1966, the province of Ontario presented claims for, and was paid, $3,322,829. The province of Quebec presented claims for and was paid $2,726,902. In addition, the government of Canada made direct payments to some 7,050 Quebec farmers totalling $988,795.

Provincial claims for reimbursement continue to be paid as they are received from the provinces concerned and as funds are available.

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Total amounts paid to June 27, 1966 are: Quebec, $4,219,073; Ontario, $3,700,000; total: $7,919,073.

The total federal cost of these programs will, it is estimated, be $13,000,000.

In addition the net cost of providing emergency water supplies was $21,793.

2. The federal government was not involved in any efforts to produce rain.

EXTENSION OF RUNWAYS, MONCTON AIRPORT

Question No. 1,774—**Mr. Coates:**

Is it the intention of the government to initiate the construction and expansion of runways at Moncton, New Brunswick, earlier than was otherwise expected in order to provide a suitable landing strip for DC-9 jet service by Air Canada and, if so, when will tenders be called and what is the expected completion date of the runway extension?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The need for extending the runways at Moncton, N.B. to accommodate Air Canada's DC-9 aircraft is currently under study and it is expected that the necessary improvements will be undertaken sometime in 1967. It is not possible to estimate the date that tenders will be called or when the project will be completed until a decision has been reached as to which runway or runways should be lengthened or strengthened.

WAGE RATES ON FEDERAL CONTRACTS, P.E.I.

Question No. 1,778—**Mr. McQuaid:**

1. Did the federal government receive a request from the Minister of Labour of the province of Prince Edward Island to respect its prevailing minimum wage rates in all federal contracts performed in Prince Edward Island and also for the work to be done on the P.E.I. causeway?

2. If so, is it the intention of the federal government to ensure that minimum rates on federal projects and on the causeway construction will not be below the provincial standards?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Labour as follows:

1. No. But the minister of welfare and labour of the province of Prince Edward Island sent to the Department of Labour's office in Fredericton, N. B., a copy of a minute of His Honour the Lieutenant Governor in Council dated June 7, 1966, applicable to certain provincial projects, with the request that wage rates for federal projects be brought up to provincial government standards.

[Mr. Greene.]

2. Minimum wage rates on all federal government construction contracts are established on the standards set by the Fair Wages and Hours of Labour Act.

DISPOSITION OF ST. CHRISTOPHE ISLAND, ST. MAURICE RIVER

Question No. 1791—**Mr. Mongrain:**

1. Did the federal government assign St. Christophe island, situated at the mouth of the St. Maurice river, to the municipality of Trois-Rivières?

2. If so, under what terms and conditions was this assignment made?

[Translation]

Hon. G. J. McIlraith (Minister of Public Works): 1. and 2. The Department of Public Works has approved "in principle" to grant a renewable long-term lease (21 years) to the city of Trois-Rivières regarding a portion of land owned by the department at St. Christophe Island. The lease would stipulate that this piece of land may be used as a public park or for recreational purposes, but cannot be used for commercial or industrial purposes.

We are also proposing to dedicate to the city other parcels of land on Ile St. Christophe as road allowances for accesses or approaches to the St. Quentin Bridge and the Ile Caron Bridge. The proposed transfer would be conditional upon the city assuming the good maintenance of these road accesses to the bridges for the interest of the public and that of our other lessees on Ile St. Christophe.

MAIL TENDERS, R.R. 2, MATAPÉDIA, QUE.

Question No. 1,794—**Mr. Keays:**

1. Have tenders been called recently for mail delivery on rural route No. 2—Matapédia, Sellarsville, Broadlands and Kempt Road?

2. If so, how many bids were received and in what amounts?

3. Has the contract been awarded and to whom?

4. If not, for what reason?

5. Were there any representations made that the lowest bidder be not accepted?

Hon. Jean-Pierre Côté (Postmaster General): 1. The recent call for tenders on Matapédia Rural Route No. 2 closed on June 8, 1966.

2. Two bids were received within the time limit specified in the tender notices: James Randolph Adams, Matapédia, $2,995; William Edgar Downs, R.R. No. 2, Matapédia, $3,200.

One tender was received after the time limit: Arnold Georges Firlotte, R. R. No. 2, Matapédia, $2,950.

3. Yes. To James Randolph Adams at $2,600 per annum to commence September 1, 1966. Original amounts bid were considered to be too high. As provided for in section 26 of the Post Office Act, an endeavour was made to obtain more reasonable offers from each of the two tenderers who had submitted their bids within the set time limit. Mr. Adams submitted the lowest offer.

4. See No. 3 above.

5. No.

[*English*]

C.P.R. "DOMINION—TERMINATION OF MAIL CONTRACT

Question No. 1,798—**Mr. Reid:**

What was the date on which the C.P.R. gave notice to the Post Office Department to terminate their contract to carry mail on the Dominion train?

Hon. Jean-Pierre Côté (Postmaster General): December 31, 1964.

TECHNICAL OFFICERS, ARMED FORCES

Question No. 1,801—**Mr. Enns:**

1. How many technical officers are there in each of the three armed services?

2. How many of these are engineers possessing university degrees?

3. How many technical officers of each of the three armed services have (a) applied for release since February 1, 1966 (b) have been retired, having reached the compulsory retirement age (c) have been recruited since February 1, 1966?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. 30 June, 1966: RCN, 469; CA(R), 914 (This is the total number of officers serving in the technical corps RCE, RC Sig and RCEME); RCAF, 1652 (This is the total number in the technical list.)

2. 30 June, 1966: RCN, 188; CA(R), 417; RCAF, 539.

3. Statistics prior to 1 April, 1966, did not reflect this information. However, from 1 April to 30 June, 1966, the following have applied for release: (a) RCN, 6; CA(R), 37; RCAF, 32. (b) 1 February-30 June, 1966: RCN, 16; CA(R), 27; RCAF, 43. (c) 1 February -30 June, 1966: RCN, Nil; (CA(R), 2; RCAF, 6.

PROFESSIONAL PAY FOR TECHNICAL OFFICERS, ARMED FORCES

Question No. 1,803—**Mr. Enns:**

1. Is there any serious intent to introduce professional pay for technical officers of the armed services?

2. If so (a) when is this likely to occur (b) what categories of personnel will be affected (c) will there be any distinction made between university graduate engineers and non-university technical personnel as regards such professional pay?

Hon. Léo Cadieux (Associate Minister of National Defence): The over-all pay structure and pay rates of the Canadian armed forces are under study now. Until this study is completed and approved, the date of introduction and the categories of personnel which might be affected cannot be determined.

COST OF LIVING ADJUSTMENTS, ARMED FORCES

Question No. 1,804—**Mr. Enns:**

1. Have any studies been undertaken to determine whether or not there are significant disparities between the cost of living in Ottawa and other Canadian areas where military personnel serve, exclusive of those areas where special allowances are in effect?

2. If significant discrepancies have been found to exist, are there any plans to adjust pay or allowances of the armed forces to compensate for these differences in cost of living indices?

3. If no studies exist, is there any intention to initiate such a survey?

4. What is the official cost of living index for each Canadian forces base in Canada, exclusive of those bases for which special allowances are in effect?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. No.

2. Not applicable.

3. No.

4. There is no official cost of living index applicable to Canadian forces bases in Canada.

BASIS OF WIDOWS' PENSIONS, ARMED FORCES

Question No. 1,805—**Mr. Enns:**

1. Are members of the armed forces officially considered to be on continuous duty while they are in the service?

2. If so, are they also so considered for the purpose of computing the eligibility of a widow for a pension?

3. If so, is this fact officially recognized and accepted by the pension board?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Members of the regular

forces are on "service" at all times, but are only on duty when so ordered and are liable to be required to be on duty at any time.

2 and 3. Not applicable.

ASSISTANCE TO UNEMPLOYED, BELL ISLAND, NFLD.

Question No. 1,807—**Mr. Macquarrie:**

1. What measures of dominion government assistance have been extended to the people of Bell Island, Newfoundland, who were former employees of the Dominion Steel and Coal Co. mine?

2. How many said employees have been assisted finding employment in Newfoundland?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Citizenship and Immigration as follows:

1. Bell Island has been designated under the manpower mobility regulations as an area in which residents can obtain grants for their transportation, the cost of moving their household effects and resettlement allowances to move to other areas in Canada where there is employment for them.

2. As of 8 July 1966, 29 former employees of the Dominion Steel and Coal Co. Ltd. had been assisted in finding employment in Newfoundland under the manpower mobility regulations.

PENSION CALCULATIONS, ARMED FORCES

Question No. 1,808—**Mr. Enns:**

1. Precisely what portions of the present pay and allowances of a serving member of the armed forces are used to compute his service retirement pension?

2. Specifically, what would be the pension for an R.C.A.F. squadron leader in the technical branch who has served 30 years and has been drawing eight years of progressive pay up to his normal retirement age?

3. What is the formula used to compute the pension, and what constitutes each element used in this formula?

Hon. Léo Cadieux (Associate Minister of National Defence): 1 and 3. The rate of pay prescribed in the tables to Queen's Regulations and Orders for the Canadian forces articles 204.21, 294.215 or 204.30, as applicable to officers other than pilots, pilots, and men respectively, and the allowances constituting part of pay as set forth in section 6 of the Canadian forces superannuation regulations. The formula used to compute the pension or annuity of a member of the Canadian armed forces under the provisions of the Canadian Forces Superannuation Act is set out in subsection (1) of section 9 of that act. The amount of the pension, or annuity, is arrived at by multiplying the number of years of pensionable service, not exceeding 35 years, by the average annual pay, as defined above, received by the member during any six year period of pensionable service selected by or on behalf of the member or during any period so selected consisting of consecutive periods of pensionable service totalling six years and dividing the product by 50.

[Mr. Cadieux (Terrebonne).]

2. In computing the amount of a pension for a squadron leader who has served for 30 years and who has been drawing eight years of progressive pay up to his normal retirement age, the following assumptions have been made: Date of release—30 June, 1966; drew progressive pay at the eight level for the last three years of service, which would permit progressive pay to have been drawn in the rank of squadron leader for eight years. Based on these assumptions the amount of a pension or annuity of a squadron leader with 30 years service would be $5,370 if single and $5,809 if married.

C.B.C. EMERGENCY NIGHT BROADCASTING—LANGUAGES USED

Question No. 1,809—**Mr. Allard:**

1. Is emergency night broadcasting over the C.B.C. carried out in both languages and, if not, in which language and for what reasons?

2. Is the director of information in the international service of the C.B.C. at Montreal bilingual and, if not, in which language are directions in that service given?

3. At head office of the C.B.C. in Ottawa is (a) the head of programming for both networks bilingual (b) the head of the foreign relations service bilingual (c) the head of the information service bilingual (d) the head of the publicity service bilingual; and, if not, in each case which language does the officer speak?

4. At head office of the C.B.C. in Ottawa, how many bilingual persons are employed in (a) the purchasing department (b) the foreign relations department (c) the personnel service?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes.

2. Yes.

3. (a) Partly (b) No (c) No (d) Partly. All are basically English speaking.

4. (a) One out of three; (b) None; (c) Nineteen out of forty-one.

[*English*]

FRENCH TELEVISION PROGRAMS, STATION CJOH, OTTAWA

Question No. 1,810—**Mr. Allard:**

Has T.V. station CJOH undertaken at any time with the B.B.G. to produce French language programs and, if so, which programs have been produced since January 1, 1966?

Hon. Judy V. LaMarsh (Secretary of State): The licensee of CJOH-TV Ottawa appeared before the board as an applicant for a licence at the public hearing which commenced on June 23, 1960 and undertook to try to produce some French language programming. The station experimented with French language programs for approximately two years. No programs have been produced in French since January 1, 1966.

MEAT SLAUGHTERING REGULATIONS

Question No. 1,811—**Mr. Allard:**

1. Does the federal government require registration of establishment in each province of Canada where slaughtering and meat trading are done?

2. Does the federal government also require inspection of meat at all levels from slaughtering to sale in retail butcher shops and, if so, what role do federal inspectors play in such inspection and what type of slaughterhouse do they inspect?

Hon. J. J. Greene (Minister of Agriculture): 1. No, only meat slaughtering and meat processing plants that engage in interprovincial or export trade. These are required to operate under the provisions of the Canada Meat Inspection Act.

2. No, except in the plants referred to in part 1, where federal inspectors carry out full meat inspection procedures.

PENSION RECOMMENDATIONS, ARMED FORCES

Question No. 1,812—**Mr. Enns:**

1. Has the Department of National Defence recommended that pensions be granted to widows of serving members of the armed forces when death is attributable to any of the following causes: (a) having contracted a communicable fatal disease from a civilian neighbour at his place of residence during normally off duty hours (b) having drowned or been killed in an auto accident during a week end (c) a military aircraft accident while the member was either proceeding to or returning from leave and riding in the aircraft as a passenger with no official aircrew duty (d) a heart attack while on the way home after duty (e) having committed suicide during normally off duty hours?

2. If so (a) has the pension board turned down any such recommendation and (b) for what reason?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. When a serviceman dies while serving in the Canadian forces, a summary investigation, or board of inquiry is held to investigate the circumstances surrounding the death. The proceedings of the investigation are forwarded to the Canadian Pension Commission. The Department of National Defence does not recommend to the Canadian Pension Commission what its decision should be when adjudicating a claim under the Pension Act.

2. Not applicable.

DISPOSITION OF PARLIAMENT BUILDINGS SEWAGE

Question No. 1,813—**Mr. Enns:**

Is raw sewage from the parliament buildings directed into the Ottawa river rather than into the Green creek sewage plant system and, if so, for what reason?

Hon. G. J. McIlraith (Minister of Public Works): No. All such raw sewage is directed to the city of Ottawa sewer system.

DREDGING OF ST. MAURICE RIVER

Question No. 1,818—**Mr. Mongrain:**

1. Has the government of Canada conceded the right to dredge the bottom of the St. Maurice river at the point where it joins the St. Lawrence river to a company which would thus be gathering supplies of sand for making concrete?

2. If so (a) what is the name of the company (b) when and under what conditions was this right conceded?

3. Has the government determined whether the dredging at the mouth of the St. Maurice river may not possibly cause erosion damage to the neighbouring island of St. Quentin?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. No.

2. Not applicable.

3. No study was made by the department.

[*English*]

BILINGUAL STAFF, SUNNYBROOK HOSPITAL, TORONTO

Question No. 1,825—**Mr. Allard:**

1. How many French speaking physicians are there at Sunnybrook hospital in Toronto to look after the admission and examination of French speaking veterans?

2. What is the total number of physicians or specialists treating at that hospital, and what is the proportion of French speaking physicians or specialists?

3. What are the admission requirements at that hospital for a physician or a specialist?

4. Is correspondence between the physicians or the specialists or the administration office and the French speaking veterans carried on in French and always in French?

Questions

5. Among the personnel (nurses, nursing assistants, nursing sisters, maintenance employees, office employees and others) at that hospital, what is the total number and proportion of French speaking persons?

6. At that hospital, of all those who work there, under any title, what is the proportion of bilingual persons?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. Four.

2. There are 145 full time and part time attending medical staff and 56 resident staff, 2 per cent are French speaking.

3. Physicians must be licensed to practice in a province of Canada. Specialists must be licensed in a province of Canada and be acceptable to the University of Toronto for participation in the university teaching program for medical students and graduates.

4. Correspondence in French is received rarely. In the past it has been the custom to answer it in English but in the future it will be answered in French.

5. The number of French speaking persons on the staff is 15, 1 per cent of the total staff.

6. Approximately 1 per cent of the staff are bilingual in English and French.

BILINGUAL STAFF, WESTMINSTER HOSPITAL, LONDON, ONT.

Question No. 1,826—**Mr. Allard:**

1. How many French speaking physicians are there at Westminster hospital, London, Ontario, to look after the admission and examination of French speaking veterans?

2. What is the total number of physicians or specialists treating at that hospital and what is the proportion of French speaking physicians or specialists?

3. What are the admission requirements at that hospital for a physician or a specialist?

4. Is correspondence between the physicians or the specialists or the administration office and the French speaking veterans carried on in French and always in French?

5. Among the personnel (nurses, nursing assistants, nursing sisters, maintenance employees, office employees and others) at that hospital, what is the total number and proportion of French speaking persons?

6. At that hospital, of all those who work there, under any title, what is the proportion of bilingual persons?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. Eight.

2. There are 84 full time and part time attending medical staff and 19 resident staff, approximately 8 per cent are French speaking.

[Mr. Allard.]

3. Physicians must be licensed to practice in a province of Canada. Specialists must be licensed in a province of Canada and be acceptable to the University of Western Ontario for participation in the university teaching program for medical students and graduates.

4. All correspondence received in French is answered in French.

5. The number of French speaking persons on the staff is 38, 2.6 per cent of the total staff.

6. 2.6 per cent of the staff are bilingual in English and French.

PAYMENT OF PREVAILING RATE EMPLOYEES

Question No. 1,831—**Mr. Groos:**

1. How frequently are prevailing rate employees at H.M.C. Dockyard, Halifax, Nova Scotia, paid—weekly, every two weeks, bi-monthly?

2. How frequently are prevailing rate employees at H.M.C. Dockyard, Esquimalt, British Columbia, paid—weekly, every two weeks, bi-monthly?

3. How frequently are prevailing rate employees at the R.C.A.F. station, Trenton, Ontario, paid—weekly, every two weeks, bi-monthly?

4. How frequently are prevailing rate employees at the Canadian army base at Camp Gagetown, New Brunswick, paid—weekly, every two weeks, bi-monthly?

5. How frequently are prevailing rate employees at the Canadian army camp at Valcartier, Quebec, paid—weekly, every two weeks, bi-monthly?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Weekly.

2, 3, 4 and 5. Bi-monthly.

DEPORTATION OF SEAMEN DESERTING SHIP

Question No. 1,834—**Mr. Muir (Cape Breton North and Victoria):**

1. Of the 900 persons stated by the Minister of Citizenship and Immigration to have jumped ship, how many are at present in Canada whose cases have not been disposed of by the department, and what are the racial origins of each?

2. Is it a fact that persons of Yugoslav origin have, in the last year, been deported while those of other racial origins are not and, if so, for what reason?

3. Was a Yugoslav seaman by the name of R. Lakos deported to Yugoslavia on June 6, 1966 and, if so (a) had he made an appeal (b) on what date was the appeal made (c) on what date was the determination of his case made?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. 904 seamen were reported as having deserted their ships in Canada during 1965. Of these 355 have been issued with deportation

orders. The remaining 549 have escaped detection and are presumed to be still in Canada, though some may have left the country without our knowledge. Ship deserters are recorded by citizenship rather than by racial origin and the attached table shows the citizenship of the 549 not apprehended.

2. No.

3. Yes. (a) Yes; (b) March 29, 1966; (c) his appeal was dismissed by the immigration appeal board on May 9, 1966.

Seamen who deserted their ships at Canadian ports during 1965 who have not yet been apprehended or who have left Canada other than as a result of a deportation order being issued:

Citizenship	Number
Algeria	1
Austria	1
China (People's Republic)	36
Colombia	1
Cuba	16
Cyprus	1
Denmark	4
Finland	1
Germany	14
Greece	329
Ireland (Eire)	2
Italy	5
Jamaica	1
Korea, South	1
Morocco	1
Netherlands, The	4
Norway	18
Pakistan	1
Panama	1
Peru	1
Poland	1
Portugal	11
Spain	21
Sweden	2
U.K. and C.	29
U.S.A.	3
Yugoslavia	43
	549

*AIR RESCUE SERVICE, VANCOUVER AIRPORT

Question No. 1,839—**Mr. Basford:**

1. Is the Department of Transport taking action to provide air rescue operations for the tidal flat areas surrounding Vancouver international airport and, if so, what action is it taking?

2. Has the department investigated the suitability of hovercraft for such rescue operations and, if so, what do these investigations indicate?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The question of the feasibility and best method of providing rescue services for the tidal flat area off Vancouver international airport is being investigated by the Department of Transport. In the meantime interim arrangements are that the Coastguard crash boats stationed at the Kitsilano base, a very short distance away from the mud flat area, can be called on for help. In addition light rubber boats are being provided at the airport itself.

2. The suitability of other types of craft for coastguard work generally is also being investigated in this connection.

DRY SKIM MILK

Question No. 1,843—**Mr. Harkness:**

1. How much (a) spray process, and (b) roller process dry skim milk has been purchased by the Agricultural Stabilization Board in each of the six month periods from January 1, 1964, to June 30, 1966?

2. How much of this dry skim milk is presently being held by the stabilization board?

3. What quantities have been sold during the period January 1, 1964, to June 30, 1966, to whom and at what prices?

4. What were the prices paid for this dry skim milk during the same period?

Hon. J. J. Greene (Minister of Agriculture): 1. (a), (b): 1964, nil; 1965, nil; 1966 to June 30th—spray 3.8 million lbs.

2. July 8, 1966; 6.6 million lbs.

3. Sold to world food program: 1964, 120,300 lbs. at 10 cents per lb.; 1964, 19,800 lbs. at 15 cents per lb.; 1965, 73,900 lbs. at 13½ cents per lb.; 1966 to June 30th, 3,659,673 lbs. at 12 cents per lb.

4. In 1964 and 1965—N/A (See part 1).

In 1966—purchases were at 18 cents per lb. None of these purchases have been sold.

TESTING OF CIGARETTE FILTERS

Question No. 1,844—**Mr. Howe (Wellington-Huron):**

1. Does the Department of National Health and Welfare have the necessary facilities for testing cigarette filters?

2. If not, is there any other government agency where proper testing could be made?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. No.

2. There is no government agency currently equipped to routinely test cigarette filters.

Questions

PORT HOOD CAUSEWAY, NOVA SCOTIA

Question No. 1,846—**Mr. Muir (Cape Breton North and Victoria):**

1. What progress is being made in regard to the completion of the Port Hood-Port Hood Island causeway?

2. When is it the intention of the government to complete this project?

Hon. G. J. McIlraith (Minister of Public Works): 1. A Port Hood-Port Hood Island causeway if proceeded with would become part of the provincial highway system and therefore the project is a provincial responsibility.

2. Not applicable.

REPRODUCTION OF PAINTING OF FATHERS OF CONFEDERATION

Question No. 1,847—**Mr. Dinsdale:**

1. Has the Secretary of State been asked to approve of reproductions of the Rex Woods painting of the Fathers of Confederation which is to be hung in the parliament buildings, for display in government buildings across Canada?

2. If so, what decision has been reached?

Answer: 1. No.

2. Does not apply.

*SALARIES OF OFFICIALS ON BILINGUAL COURSES

Question No. 1,848—**Mr. McCleave:**

With regard to the answer to starred question No. 1,832, given to the house by the parliamentary secretary to the Prime Minister, is it the intention of the government to make full salary payments while senior officials are attending courses to promote or perfect their bilingualism?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the answer is yes.

IMMIGRATION OFFICES IN WEST INDIES

Question No. 1,850—**Mr. Dinsdale:**

Following the recent Canadian-Caribbean commonwealth conference, is it the intention of the government to open immigration offices in the West Indies and, if so, where and when will these offices be established?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): No. The question of Canada establishing an immigration office in the West Indies was not raised during the commonwealth Caribbean-Canada conference. With the present volume of applications, prospective immigrants in the Caribbean can be serviced as effectively, and at less cost, by travelling teams despatched from Canada.

[Mr. MacEachen.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

C.B.C. EXPANSION COST

Question No. 1,029—**Mr. Laprise:**

1. How much money has the C.B.C. spent each year since 1955 for the expansion of (a) its radio network (b) its T.V. network (i) French (ii) English?

2. For each of these years, how much was spent in each province of Canada for extending (a) the radio network (b) the T.V. network (i) French (ii) English?

Return tabled.

CIVIL SERVICE SALARIES OVER $11,000

Question No. 1,165—**Mr. Sherman:**

Within the federal civil service, by departments, for salary classifications of $11,000 or more (a) how many positions existed on January 1, 1964 (b) how many were added during 1964 and during 1965 (c) how many new positions are provided for 1966 (d) where are they located (i) in Ottawa (ii) elsewhere, by provinces?

Return tabled.

AIRCRAFT AND SHIP CONSTRUCTION

Question No. 1,479—**Mr. Godin:**

As of April 1, 1966, were any ships and aircraft intended for use by Canada being built at that time in Canada or abroad and, if so (a) how many in each case (b) what is the cost of these ships (i) being built in Canada (ii) being built abroad (c) what is the cost of these aircraft (i) being built in Canada (ii) being built abroad?

Return tabled.

JUDGES APPOINTED TO INQUIRIES

Question No. 1,628—**Mr. Fulton:**

1. Since January 1, 1965, how many judges appointed under the provisions of the Judges Act and who were or are still serving as judges, have been appointed or nominated to commissions of inquiry, arbitrations, conciliations, or other similar boards or commissions (a) by the government of Canada (b) by provincial governments?

2. What is (a) the name of each such judge (b) the name of the board, commission or other body on which he is or was serving (c) the date of his appointment to such board, commission or other body (d) the date when such extra-judicial service was completed?

Return tabled.

ASSISTANCE TO PROVINCIAL ANTI-POLLUTION PROJECTS

Question No. 1,656—**Mr. Coates:**

Has any assistance been made available by the federal government toward anti-pollution projects initiated by provincial governments and, if so (a) what is the amount (b) what is the breakdown from a provincial point of view?

Return tabled.

ASSISTANCE TO PROVINCIAL ART CENTRES

Question No. 1,667—**Mr. Gauthier:**

1. Has the federal government spent any money in the past ten years to help centres for the arts in the following provinces: Ontario, Quebec, Alberta, Manitoba, Saskatchewan, British Columbia, Prince Edward Island, New Brunswick, Newfoundland, Nova Scotia and, if so, how much in each province?

2. Did the federal government provide funds for the Place des Arts in Montreal and, if so, how much?

Return tabled.

COST SHARING PROGRAMS

Question No. 1,669—**Mr. Davis:**

1. How many federal-provincial cost sharing programs are now in effect?

2. What are they?

3. When were they first instituted?

4. What is the cost sharing formula (i.e., the relative federal and provincial contributions in percentage terms) used in each of these programs?

5. What was the federal contribution, in total, and by program, for the fiscal year 1963-64?

6. What was the federal contribution, in total and by program, in each province for the fiscal year 1963-64?

Return tabled.

REQUEST FOR OLD AGE PENSION INCREASE

Question No. 1,721—**Mr. Howe (Hamilton South):**

Has the government received representations from the senior women's committee for pension increase, requesting an increase in the old age pension to $100 a month and, if so, what has been their reply?

Return tabled.

THE CANADIAN ECONOMY

STEPS TO DEAL WITH RISING PRICES AND INCREASING COSTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Prime Minister and ascertain from him whether, in view of the frightening acceleration of inflation and the veiled undertaking given by the Minister of Finance last spring that if the then budget did not work out further action would be taken, he would say now that, at the conclusion of the matters that are before us the government intends to bring before the house a supplementary budget that will be effective as contrasted with one that has produced nothing but heartaches?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have already indicated that when the present legislation has been disposed of the government would be very glad to facilitate an arrangement whereby there can be a discussion of this very important and worrying matter. At that time the Minister of Finance, or perhaps the Prime Minister, will be able to indicate the government's approach to this problem. I cannot go any farther at this moment.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that the determining of prices, wages and the like is a matter within the jurisdiction of the provinces and in view of the fact that co-operative action could be taken between the federal and provincial governments, would the Prime Minister say whether the government will, in view of the very serious inflationary situation which prevails, call together the provinces with a view to ascertaining whether an agreement can be arrived at for co-operative legislation, if I may use that term, on the part of the federal government and the various provincial legislatures.

Mr. Pearson: Mr. Speaker, on September 14 there is to be a meeting between the federal and provincial ministers of finance. This very important matter is on the agenda and will be discussed with the provincial ministers of finance at that time.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask a supplementary question. I should like to ask the Prime Minister whether the government has given any further thought to the proposal we advanced last year that the government should set up a prices review board to review price increases with a view to seeing whether or not they are warranted. At that time the government did not accept the suggestion but the Prime Minister indicated that consideration was being given to it.

Mr. Pearson: Mr. Speaker, the matter is still being investigated by the Economic Council and this will be one of the matters we will be discussing in the debate to which I referred when our views on this and related matters will be made known.

[*Translation*]

Mr. Réal Caouette (Villeneuve): A supplementary question. Could the Prime Minister could tell us quite clearly whether parliament

has been called to consider specifically the bills concerning the railway strike and the new piece of legislation dealing with the national railways and whether the matter of inflation, etc. could be studied when the regular session resumes on October 5? If I am not mistaken, we have been called specifically to look into the matter of the railway strike and nothing else. Could the Prime Minister give us fuller information in this connection?

[*English*]

Mr. Pearson: No, Mr. Speaker, beyond what I have already said, that is, that we would be quite willing on this side to discuss these matters of inflationary pressures and rising costs immediately on the conclusion of the debate on the railway bills. It will be a matter for the house leaders to get together in an effort to decide whether that course is agreeable to all parties. If so, we will be able to facilitate this kind of discussion.

NATIONAL SECURITY

INQUIRY AS TO PERSONNEL OF INQUIRY COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, would the Prime Minister inform the house when he expects to be able to name the commissioner or commissioners who will conduct the promised inquiry into security?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, during the recess we have had several discussions within cabinet. I am not in a position to make an announcement now but I will just as soon as it is possible.

INDUSTRY

EFFECT OF U.S.-CANADA AUTOMOTIVE AGREEMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, my question is directed to the Prime Minister. Because of the reason given by General Motors that the lay-off of some 2,600 employees at the Oshawa plant was mainly due to the United States-Canada auto trade pact agreement, would the Prime Minister have a very close scrutiny made of the effect of the United States-Canada auto pact to determine whether it is having a detrimental effect upon the Canadian economy and its work force?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to ask the Minister

[Mr. Caouette.]

of Industry to deal with that particular point. I might say that I have received a letter from the hon. member on this and related matters, to which I have sent an interim acknowledgement. I hope to be able to give the hon. member more detail on this shortly.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, according to the Dominion Bureau of Statistics employment in the automotive industry in Canada for the three month period, January through March of 1964, totalled 69,750. For the same period in 1965 the figure was 76,700 and for 1966 the figure is 88,150. That is an increase of some 20,000 new job opportunities in the automotive industry during the initial period of the agreement. I do think that in respect of over-all employment there is no question that this agreement has operated materially to the benefit of Canada.

Mr. Starr: Mr. Speaker, may I ask a supplementary question? In view of the fact that for the past six years employment in the automobile industry has been rising without this pact, how can the minister now say that the lay-off of 2,600 people is not serious and quote figures to prove that there has been a rise in the employment ranks of the automobile industry?

Mr. Drury: Mr. Speaker, I did not say the lay-off at Oshawa is not serious. It is very serious indeed, particularly for those concerned. The government, particularly through the departments of manpower, labour and industry, is doing all it can to mitigate the effect of this lay-off. The fact of the matter is that production of automotive vehicles and parts in Canada has been substantially increasing over the past three years and so also has employment. There have been changes in employment brought about by rationalization of the motor car industry which has made it more efficient and consequently able to export. These changes, however, do cause dislocation, but the government has a program designed to mitigate these effects and it is in operation.

LABOUR RELATIONS

RAILWAY STRIKE—CONSULTATION WITH UNION LEADERS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Prime Minister. I should like to ask the Prime Minister whether the legislation to end

the railway strike, which is about to come before the house for debate, is based on recent consultation with labour leaders and have they assured the government that the terms of the legislation will be effective in getting the men back to work?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, of course it would be improper to discuss the terms of a bill with anybody outside the house when the bill has not been submitted inside the house. There have been discussions in respect of these difficulties with labour leaders as recently as this morning, but the terms of the bill have not been submitted to anybody outside of the house.

[*Translation*]

POSSIBILITY OF POSTAL WORKERS GOING ON STRIKE

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Prime Minister. In view of the impending strike of postal workers which would be called around October 18, can the Prime Minister assure the house that the government is now taking all possible action to settle the disagreement before the start of this further strike in this country?

[*English*]

Mr. Pearson: Mr. Speaker, I should like to look into this particular matter and discuss it with the Minister of Labour.

EXTERNAL AFFAIRS

RHODESIA—INQUIRY AS TO POSSIBLE USE OF FORCE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is it now the policy of the government to employ force if necessary to dislodge the present government in Rhodesia?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I know of no basis for that question.

CANADIAN CENTENNIAL

YOUTH PARLIAMENT—REQUEST FOR RECONSIDERATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the regrettable decision of the government not to proceed with the youth parliament in Canada's centennial year, may I ask the Secretary of State whether she would give consideration to reconvening the ad hoc committee at an early date, in view of the fact that this committee recommended the holding of a youth parliament, to see if this whole matter should be canvassed again?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I will be glad to give consideration to that matter.

NATIONAL DEFENCE

COMMITTEE CONSIDERATION OF INTEGRATION MEASURES

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Minister of National Defence. Will the issues raised by Admiral Landymore and others in respect of integration and unification be referred to the committee on national defence and will retired high ranking officers such as Admiral Landymore have an opportunity to be present?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it is the intention of the government to introduce in the house later this session amendments to the National Defence Act to permit the unification of the Canadian armed forces.

Mr. Diefenbaker: You found out you could not do it without legislation.

Mr. Hellyer: It will be the intention of the government at that time to refer the bill to the standing committee on national defence, and it will be within the prerogative of that committee as to what witnesses it may care to call from outside the armed forces, including retired officers, who may wish to express their opinions.

Mr. McCleave: I have a supplementary question. Can the minister assure the house that no action will be taken in respect of common ranks and a common uniform until the committee has had an opportunity to study the proposed legislation?

Mr. Hellyer: Mr. Speaker, we have given an assurance that common ranks and a common uniform will not be introduced, except in so far as user trials of a common uniform are perhaps concerned, until the legislation has been dealt with by the house.

Inquiries of the Ministry

The only other reservation I should like to mention relates to the fact that the defence staff has been making plans and giving consideration to certain details of this question in order that we will be able to answer fully questions posed by members of the defence committee when it is considering this legislation.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question. Does the minister mean that the government has no intention of referring the whole matter of integration back to the defence committee so that witnesses from both inside and outside the services may testify on this and related matters? In view of the events that have taken place since June 22, does the minister say that he will not advise his colleagues to ask for the permission of the house to so refer this matter?

Mr. Hellyer: I have just indicated to the contrary, Mr. Speaker, that when the legislation is introduced we will in fact refer it to the committee so it can hear the opinions of individuals who may wish to express them.

Mr. Lambert: The minister has not said when that legislation will be introduced. Will he consider introducing it forthwith?

Mr. Hellyer: Mr. Speaker, I have just indicated that this legislation will be introduced later this session. This was also indicated in the Speech from the Throne. My hon. friend may have forgotten that fact. This legislation will be introduced as soon as possible.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I have a further supplementary question for the Minister of National Defence. May we take it from his remarks that the defence committee will not be reconvened until such time as this new legislation is brought before the house? Must we wait until some subsequent date before—

Mr. Speaker: Order, please. It seems to me that this question is repetitive, having been asked and answered.

Mr. Forrestall: Mr. Speaker, this is a very urgent—

Mr. Speaker: Order, please. With all due respect I should like to bring to the attention of the hon. member that I never suggested this was not an urgent matter. I merely suggested that the question had been asked and that the minister had given an answer.

[Mr. Hellyer.]

OLD AGE SECURITY

INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to address a question to either the Prime Minister or the Minister of National Health and Welfare. Will the government be in a position during this part of the session to bring forward its legislation to increase old age pensions and will there be any change in the plan announced on July 14?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government's legislative program for this part of the session will be made known to the house just as quickly as possible.

NATURAL GAS

DENIAL OF PERMISSION TO CONSTRUCT LINE THROUGH U.S.

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Prime Minister related to his announcement the other day that permission has been denied by the government for the building of a gas pipe line from western Canada to central Canada following a route south of lake Superior. My question is in two parts. Has the government any alternative proposal in order to gain access to the additional United States markets which would have been available had this pipe line been authorized? Does the government have some proposal to assist in holding down the cost of gas to consumers in central Canada and the additional cost of building such a pipe line somewhere north of lake Superior?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope there will be an opportunity to discuss this whole matter very shortly. It is difficult for me at this moment to deal with these specific points, but I will discuss them with the minister concerned.

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—REPORT ON GOVERNMENT DEVELOPMENT

On the orders of the day:

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Can he indicate when he expects to receive the Carrothers commission report on the development of government in the

Northwest Territories and when he expects to make this report public?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I believe I am correct in saying that it is the intention of Dean Carrothers to present me with a copy of this report tomorrow morning. I would hesitate to table such a report in this house until it was available in both languages. Inquiries have been made as to the possibility of obtaining a French translation at an early date. If that should be unduly delayed, I will give an explanation to the house.

DEFENCE PRODUCTION

PRODUCTION OF MILITARY EQUIPMENT FOR U.S. USE IN VIET NAM

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Defence Production. Can he inform the house as to the accuracy of the statement that his department has authorized Canadian companies to enter into contracts to supply bombs and military components for use by the United States in Viet Nam?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the answer to the question as it is phrased is no.

Mr. Winch: I have a supplementary question, Mr. Speaker. Are Canadian companies producing supplies under contract for the United States for use in Viet Nam?

Mr. Drury: Mr. Speaker, some Canadian companies are producing military equipment for the United States which goes into what is known as United States inventory. What becomes of that equipment once it enters that inventory is beyond the control of the Canadian government.

Mr. Winch: I have a further supplementary question. In view of the reply just given, are bombs being produced in Canada which go into United States inventory?

Mr. Drury: Mr. Speaker, when a somewhat similar question was asked before the adjournment it was pointed out that Canadian companies were not manufacturing bombs for the United States government.

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he will clarify the rather conflicting statements that have been ascribed to him and others in connection with the seating of communist China at the United Nations? Does the Canadian government intend to vote for the seating of communist China during the coming session of the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I do not know the basis for the first part of my hon. friend's question. Having regard to the second part, as my right hon. friend knows, that question has already been asked and answered. The government's policy will be announced in due course.

Mr. Diefenbaker: Mr. Speaker, that answer is about as satisfying as any answer one can get from the minister. Has the government not yet determined what course it will follow in this matter or is parliament to find itself faced with a decision made in New York that has not been brought in advance before the House of Commons?

Mr. Martin (Essex East): Mr. Speaker, my right hon. friend knows that his question is not really a proper one in view of the answer I made.

Mr. Diefenbaker: Why not?

Mr. Martin (Essex East): I just told my right hon. friend that the government will announce its policy in due course and he must accept that. I do not believe he can see any change in the procedure we are following from the procedure he followed. I asked him this question on three or four occasions when he was the prime minister and his replies were in precisely the same practical words.

Mr. Diefenbaker: Mr. Speaker, there is nothing more flattering than imitation and I commend the minister for it; but I say to him that his statement is not borne out by the facts.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, did the minister note the very sensible and realistic statement made recently by Mr. Chester Ronning, who has been described by the minister as a responsible public servant, to the effect that there should be an exchange of ambassadors between Ottawa and Peking and that the People's Republic of China should now be seated at the United Nations?

Legislation Respecting Railway Matters

Mr. Martin (Essex East): I had the pleasure of hearing Mr. Ronning.

Some hon. Members: Oh, oh.

Mr. Fairweather: I had the pleasure of hearing both of them over the C.B.C. But does the government not feel now that the time has come to act?

Mr. Martin (Essex East): The question has already been answered, Mr. Speaker.

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

On the order: Special Order No. 1:

August 29—The Prime Minister—second reading of Bill No. C-230, an Act to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees.

Mr. Douglas: On a point of order, Mr. Speaker, without unanimous consent the house cannot proceed to second reading of a bill which was given first reading only today. I indicated earlier that we were prepared to give unanimous consent only if there was agreement to adjourn after the main statement had been made by the minister introducing the bill. Apparently that was unacceptable to certain members in the house. We therefore objected and when Your Honour said "Later this day?" we said "No". We certainly made it cear that we were not giving unanimous consent to second reading of this legislation today except under the conditions I specified.

Mr. Speaker: I have to say that I did not hear the negative comments which may have been made when the call was made from the Chair and my understanding is that there was unanimous consent.

Some hon. Members: No.

Mr. Speaker: Certainly this is a very serious matter and I would not want to proceed unless there were a clear understanding that there is unanimous consent. Hon. members at this end of the chamber will confirm that there was no stout opposition heard from the other end of the chamber when the motion was put by the Chair. Certainly no such opposition was heard by the Chair, and I called the motion as having been carried by unanimous consent. I should like to hear from other hon. members on the point raised by the hon. member for Burnaby-Coquitlam.

Mr. Martin (Timmins): Mr. Speaker, I was one of those who objected and I would say I am almost as stout as anyone in the house.

Some hon. Members: Oh, oh.

Mr. McIlraith: Mr. Speaker, I wonder if I might make a suggestion on this point. In view of the desire of hon. members to study the bill, we might proceed with second reading and adjourn from six o'clock to eight o'clock to give hon. members an opportunity to do so. Perhaps that course would be agreeable to the house.

Mr. Douglas: Mr. Speaker, this is very important legislation. We have agreed to waive the 48 hours notice; we have agreed to first reading being proceeded with. But I think hon. members are entitled to have the period overnight in which to study this legislation before expressing an opinion on it. There can be no possible excuse for ramming this legislation through without adequate time for close scrutiny and examination. We are not going to be rushed or bullied into passing legislation which we have not had an opportunity to examine carefully. We have only had it put on our desks. It is not simple legislation; it has far reaching repercussions. It will lay down precedents for the future in dealing with labour matters, and certainly members of the house should have the period overnight in which to study it.

On behalf of our party I would say that we are quite prepared to have second reading called if it is merely for the purpose of allowing the Prime Minister or the minister introducing the legislation to make a full statement, but we are not prepared to proceed with the debate today. We think hon. members have the right to study this bill in order that they may make comments which are intelligent and as a result of careful examination. It should not be done on the basis of a very hasty and cursory glance at this very complicated legislation.

Mr. McIlraith: Mr. Speaker, I am fully mindful of the co-operation we have had from the house in removing some of the procedural difficulties in getting this legislation before the house today. I thought that was made clear earlier. The government has

no desire whatsoever to ram through legislation. We appreciate its importance and significance. We are seeking a way to get the legislation dealt with in the shortest possible time consistent with the rights of hon. members to study it and discuss it. My suggestion was an attempt to put forward a formula that might do that.

I am wondering, since the hon. member is not the one who speaks next after the member of the government presenting the legislation, if it would be agreeable to adjourn for a number of hours after that member has spoken to permit the legislation to be studied. I wonder if that course is agreeable to other members of the house. As an alternative we could sit until six o'clock and then adjourn until tomorrow, if hon. members consider that a better course.

Some hon. Members: No.

Mr. Olson: Mr. Speaker, perhaps I could make a suggestion that may find some agreement in the house. The government house leader has suggested that we sit until six o'clock and then adjourn until eight o'clock. I wonder whether the house leader and members of the other parties would agree to adjourn now so that hon. members could have until eight o'clock to look at the bill. This would be useful in following the Prime Minister's remarks respecting the bill. Because of the urgency of getting on with this legislation we could perhaps debate it between eight o'clock and ten o'clock tonight, and certainly the debate will continue tomorrow. I wonder whether this would satisfy hon. members.

Mr. Diefenbaker: Mr. Speaker, I do not find this bill very difficult to understand.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am amazed at the attitude of the leader of the New Democratic Party. They have been asking for action. Now there is an opportunity. All this bill provides for is two payments of 4 per cent, or 8 per cent in all, and compulsory arbitration. Nothing else is involved. This is not difficult to understand or debate. Why should there be any necessity to adjourn in order to permit an examination of the bill. It is simplicity itself. All the workers are going to get now is 8 per cent and then there is to be the setting up of a committee of arbitration whose decision is to be final. As I say, the legislation is simplicity itself. In saying that, however, I would point out again that our attitude in the past has always been one of opposition to this type of thing. But there is nothing difficult about the legislation.

Mr. Pearson: What about 1958?

Mr. Diefenbaker: I do not want to answer, but the only reason hon. members opposite did not follow what we did in 1960 was that members on their front benches voted against it at that time and they therefore had to sacrifice the needs of Canada to political expediency.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Caouette: Mr. Speaker, I agree with the right hon. Leader of the Opposition (Mr. Diefenbaker) when he says that the bill before us is relatively simple, very easy to understand, and in fact comprises only two items: an 8 per cent increase and the establishment of a conciliation committee.

Now, the leader of the New Democratic Party (Mr. Douglas) has been saying for three weeks that the government is slow to take action and is not assuming its responsibilities, and now that we are all gathered here, it is the leader of the New Democratic Party, again, who asks us to adjourn the debate to allow us to study a situation which his group has been well aware of for at least six years. Why should we put off until tomorrow what we can do today? Mr. Speaker, I believe we are gathered here to study these bills, even if the leader of the New Democratic Party were to go to bed at six and sleep until eleven tomorrow morning. He already has an opinion and he could very well express it now; what he is asking for now would only hold up the business of the house.

I support the government which wants the debate to take place immediately, so that we may deal conclusively with these matters concerning the strike and the Railway Act.

• (4:50 p.m.)

[*English*]

Mr. Douglas: The necessity for speedy action, Mr. Speaker, does not mean we are prepared to see legislation passed without giving it due consideration and careful examination. We have had this legislation for only a matter of minutes, and to ask hon. members to deal with a matter of such fundamental importance without giving them adequate opportunity to study the bill seems to me quite improper. I think the suggestion made by the government house leader that

we deal with second reading now with the understanding that the house will adjourn at six o'clock would be acceptable. This would give us an opportunity to examine the bill carefully. There are many implications in this bill in spite of what the Leader of the Opposition has said. We still recall our experience with reference to the longshoremen's strike when we found, weeks after the supposed settlement, that there was a joker in the deck, and some things came up later about which we had not been told.

We want to study this legislation carefully to see what are the implications with respect to the welfare of the railway men, the welfare of the people of this country and the precedents which we are setting for future action by future parliaments. I think, Mr. Speaker, it is not an unreasonable request to ask that in respect of legislation as important and far reaching as this hon. members be given sufficient time over night to study it and then continue the debate tomorrow. The suggestion of the house leader to proceed with second reading and adjourn at six o'clock is sensible. May I point out, Mr. Speaker, that one of the conditions on which we agreed to waive the 48 hours notice was that there would be no attempt to ram this legislation through without being given every opportunity for most careful scrutiny and examination.

Mr. Thompson: Mr. Speaker, regardless of whether or not we adjourn we are not going to ram this legislation through tonight. A while ago we agreed to suspend private members' hour and go on with the debate. It seems reasonable to hear the Prime Minister's explanation on the introduction of the bill. If we want to adjourn for the supper hour that is fine, but we should then continue with the debate.

Mr. Speaker: There is obviously disagreement in the house. I do not see how we can proceed with second reading of the bill without unanimous consent. We obviously require it.

An hon. Member: We have it.

Mr. Speaker: Hon. members say that unanimous consent was given. Quite honestly, this was my understanding, but hon. members of one of the parties represented in this house insist they did not agree to it. I have to accept their word that they did not agree to a debate on second reading. In the circumstances, unless there is agreement now I cannot put the motion.

An hon. Member: Put the motion.

Mr. Speaker: We will put the motion and see what happens.

Right Hon. L. B. Pearson (Prime Minister) moved the second reading of Bill No. C-230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees.

Mr. Speaker: Is it the pleasure of the house to adopt this motion?

Some hon. Members: No.

Mr. Winkler: Who said "no"?

Mr. Speaker: Order, please. Is the Prime Minister going to make a statement on the motion or is the Chair to understand that we are not going to proceed with the debate at this time?

Mr. Barnett: Mr. Speaker, I was one of the members who said "no" to unconditional agreement that we proceed with second reading today.

An hon. Member: Why?

Mr. Barnett: I understood at the time that the Leader of the Opposition had not agreed to the suggestion made by my leader that we should first hear the statement of the Prime Minister and then adjourn the debate. It was on that basis that I was one of the members who did not give consent to second reading. It does seem to me that what we need at this point, if I may say so, is a statement from the Leader of the Opposition on whether or not he is now prepared to agree to hear the Prime Minister and then have an adjournment of the debate.

Mr. Diefenbaker: The hon. gentleman and those associated with him are looking for an alibi. They now find themselves in a predicament created by themselves. They are trying to find somebody else to blame. We want to go ahead with second reading with no postponement.

Some hon. Members: Hear, hear.

Mr. Speaker: It is my impression there is more unanimity now than there was before. Perhaps we should now hear the Prime Minister.

Mr. Douglas: Mr. Speaker, on a point of order, may I be made clear as to what

procedure Your Honour is following? Does this mean the Prime Minister will now make a statement and that we are now in debate on second reading? We cannot go into debate on second reading without unanimous consent and unanimous consent was not given and is not being given now. If the house agrees to hear the statement of the Prime Minister and then adjourning—

Some hon. Members: No.

Mr. Douglas: —that is all right, but if there is to be a debate following the Prime Minister's statement we do not agree to proceeding with second reading. I want this clearly understood.

Mr. Speaker: Is the hon. member opposing second reading or debate on second reading?

Mr. Douglas: I am denying unanimous consent to proceed with second reading. The house cannot proceed with second reading without unanimous consent and unanimous consent has been withheld.

Mr. Diefenbaker: By whom?

Mr. Douglas: By the members of this party. I want to make it clear that we are opposing it just as the Leader of the Opposition has made it perfectly clear that he is prepared to go ahead and rubberstamp the legislation of the government.

Mr. Starr: You are speaking out of the wrong side of your mouth.

Mr. Diefenbaker: I do not want that statement to go unchallenged. The hon. member speaks as if he had a solution to everything. Let me point out that when he was premier of Saskatchewan 95 strikes took place in that province.

Mr. Douglas: We did not settle any of them by compulsory arbitration.

[*Translation*]

Mr. Caouette: Mr. Speaker, with regard to the point of order; since the members of the New Democratic Party seem to find it very difficult to understand anything, why does the right hon. Prime Minister (Mr. Pearson) not suggest that the house adjourn until October 5?

This would allow the members of the New Democratic Party to study the legislation and find an adequate solution.

Legislation Respecting Railway Matters

• (5:00 p.m.)

[*English*]

Mr. Crouse: The suggestion has been made by the leader of the N.D.P. that we delay consideration of this legislation until tomorrow. This is a stand which I, as the member for Queens-Lunenburg, find intolerable. It is indicative of the fact he is unaware of the emergency situation that exists in Canada. I regret to have to say this because he is one member I hold in high respect, but I must say he is using this situation to play party politics at the expense of the citizens of this country.

We have been called here in emergency session to deal with the strike which was called on Friday. We have been called here to deal with a national emergency. In my view the welfare of the people of Canada demands that we take immediate action on this matter. In my province of Nova Scotia we have farmers who are feeding chickens and they are dependent upon the shipment of western grain. If these shipments of grain do not arrive within the next three days, some half million pullets will starve. We have fishermen at sea who must land their catches and who will then be forced to tie up their ships because fish cannot be held indefinitely. We can freeze a certain amount of our catch, but the bulk of it must be shipped immediately while it is still in its fresh state. If we cannot ship our fish, we must tie up our fleet.

I say to the house and to the leader of the N.D.P. that it is time we set aside partisan politics and dealt with this national emergency. I know that the members of my party are prepared to sit here all night and all day tomorrow. If we fail to do this at this time, Mr. Speaker, then we fail to live up to our responsibility. I say this is an urgent matter. Let us co-operate with the government in dealing with this problem. Let us get the railroads functioning and restore service to the people of Canada because that is what they expect us to do.

Mr. Olson: In so far as the point of order that has been raised by the hon. member for Burnaby-Coquitlam is concerned, Mr. Speaker, I know that you are in a difficult position because you did not hear unamimous consent being denied by some members who now claim that they voiced their opposition at that time. I recall very distinctly that when the bill was being introduced and given first reading you drew the attention of the

house to the fact that it would require unanimous consent that it be proceeded with later this day. I can remember that very distinctly, Mr. Speaker, and I am sure that *Hansard* will bear out my statement. I say, therefore, that while we may have a dilemma on this point of order we have an order of the house that second reading of this bill be proceeded with later this day. I suggest that is what the house decided not very long ago.

Mr. Brewin: I do not wish to prolong this part of the discussion, Mr. Speaker. I was one of those who clearly, if not loudly enough, said, "no" when it was proposed that we should give second reading to this bill today. I want to tell this house that we did so with a full sense of our responsibility to the people of Canada.

Some hon. Members: Oh, oh.

Mr. Brewin: We have heard an emotional address by the hon. member for Queens-Lunenburg who condemns as partisan those who are desirous of cool, calm and collective consideration of the matter before us. We in this party have no intention whatever of dealing with something as far reaching and fundamental as the bill before us without being given an opportunity to consult and to consider and study the matter.

I suggest to all members of the house that if it is their desire to obtain a solution of the grave matter we are discussing they should not get into a panic or become hysterical. They should not say, let us rush this through, let us sit all night, and that sort of thing. I know that feelings are strong but strong feelings and emotional references will not solve this problem as easily as will reasonable, deliberate consideration by parliament. For that reason I say that I support my leader and I support every member of this party. We have no desire to delay this matter but we do have a desire to take the time to take a serious look at something put before us just half an hour or so ago.

Mr. Pearson: May I ask for a ruling from you, Mr. Speaker, on whether in your view unanimous consent is now necessary before I can proceed with my statement on second reading or whether that has been dispensed with because of earlier proceedings?

Mr. Speaker: I must repeat that it was my impression that unanimous consent had been given. However, three hon. members have risen in their places to state they had not given unanimous consent. The Chair has to accept the statements made by those three hon. members. I have come to the conclusion that there has been no such unanimity and no consent. The Prime Minister, therefore, cannot at this time proceed with the second reading of the bill.

[Mr. Olson.]

Mr. McIlraith: In view of the fact that there is no unanimous consent to proceed with second reading, I regret that I see no alternative but to move the adjournment of the house.

Some hon. Members: Shame.

Mr. Pearson: Before that motion is put, could I make a suggestion which may make it unnecessary for us to wait all evening. There has been a ruling that unanimous consent is now required. Some members of the New Democratic Party have stated they are willing to give unanimous consent provided there is either a statement from the Prime Minister now and then an adjournment or an adjournment now until eight o'clock. They will only give unanimous consent on that understanding, and I can appreciate that. The right hon. Leader of the Opposition has said he is not willing to give unanimous consent on that understanding. Surely it is better to sacrifice two or three hours now so the bill can be read than to sacrifice the rest of the day which would be the case if unanimous consent cannot be given.

Mr. Speaker: Is it agreed that the bill stand for second reading until tomorrow?

Some hon. Members: No.

Mr. Speaker: Until eight o'clock this evening?

Some hon. Members: Agreed.

Mr. Douglas: We would be agreeable, Mr. Speaker, if the house would adjourn now and give us until eight o'clock to examine this legislation, and then proceed at eight o'clock.

Mr. McIlraith: I ask permission to withdraw my motion and to substitute a motion that the house do rise until eight o'clock and that at eight o'clock it do proceed with second reading of the bill.

Mr. Speaker: Proceedings on the bill will stand adjourned until eight o'clock tonight by unanimous consent. The sittings of the house will be suspended until eight o'clock this evening.

SITTING SUSPENDED

At 5.10 p.m. the sitting of the house was suspended until 8 p.m.

SITTING RESUMED

The house resumed at 8 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. Pursuant to provisional standing order 39A it is my duty to inform the house that the questions to be raised at the time of adjournment this evening are as follows:

[*Translation*]

The hon. member for Sherbrooke, the National Capital Commission.

[*English*]

The hon. member for Halifax, national defence—committee consideration of integration measures.

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

The house resumed consideration of the motion of Mr. Pearson for the second reading of Bill No. C-230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to begin by expressing my appreciation for the co-operation received from all sides of the house which has enabled us to proceed with legislation which was introduced only today. As I said this afternoon, it is legislation dealing with an emergency situation. The urgent and immediate issue that faces this house and parliament at this moment is the necessity of ending a national railway strike with the least possible delay by fair and reasonable legislative provisions.

Though the long-range importance and the far-reaching implications of the failure to settle this and other disputes by negotiation and agreement over the years, through the normal processes of collective bargaining should be, and is being, considered as a matter of great significance requiring parliamentary attention, and is something that will undoubtedly be debated—and should be debated—in this session, nevertheless at this moment these longer range matters are secondary to the necessity of an early decision by parliament on this bill which is now before the house.

It is necessary, however, in putting this bill before the house, and in explaining it, to give briefly the background of developments leading up to the situation which made parliamentary action unavoidable. That, I think, Mr. Speaker, is all the more necessary in view of certain remarks made this afternoon.

This is the fourth time since 1949 that the federal parliament has been asked to consider emergency legislation to deal with a serious strike situation. On three of these four occasions railways were involved, and on the other, in 1958, sea transportation.

Our experience over these years shows pretty conclusively that the processes of collective bargaining in railway disputes are becoming less and less effective in meeting the conditions that exist today. One reason for this—but only one reason—is the fact that present laws restrict the capacity of the railways to manage their business operations and to compete effectively with other forms of transport. The law has prevented them, for good reasons, from taking action which would increase their own revenue. This has resulted in subsidies from government which now amount to more than $100 million a year. To correct the situation the government has introduced another bill dealing with railway matters—the railway legislation bill—which will be debated, I hope, immediately after we dispose of the one before the house.

• (8:10 p.m.)

There is an even more far reaching development which has had a bearing on the weakness, and ineffectiveness, in too many cases, of labour-management negotiations, and that is the importance of job security in the case of technological change. An increased wage has no meaning if the job disappears because of a new machine.

We must find better methods for the negotiation and settlement of disputes in the railway industry, and in other industries; new and improved mediation and conciliation procedures which will take into account new circumstances, new conditions in industrial society; which will more effectively preserve the right of the employee in these new conditions and also adequately protect the national interest, particularly in respect of essential national services.

Legislation Respecting Railway Matters

This is a vital and pressing problem. But at this moment, Mr. Speaker, we are faced, as I have said, with an immediate emergency, and with the necessity of resolving that immediate emergency.

In this connection it is important to recall recent experience in these four parliamentary interventions in labour disputes which I have mentioned, in order to understand the present situation; indeed, to place it in the proper framework for such understanding.

The first parliamentary intervention in the period from 1949 to the present was in 1950, through the Maintenance of Railway Operation Act of that year. That was legislation introduced by the government headed by Mr. St. Laurent to bring to an end a general railway strike which had been going on for several days—seven days, I think.

By that legislation in 1950, employees were required to return to their duties, and an interim wage increase was granted on such return. Negotiations were then to be resumed, and if those negotiations failed an arbitrator was to be appointed. As it happened, an arbitrator was required, or was appointed, and a contract was signed as a result of his arbitration.

The next parliamentary and governmental intervention was in 1960 through the Railway Operation Continuation Act of December 2, of that year. In 1959 the union demanded from the railway wage increases of 17 per cent, plus 12½ cents an hour, vacation and other fringe benefits, to which at that time the railways were unable to agree, and a conciliation board was established on March 31, 1960, under the chairmanship of Justice Milvain.

A majority report was made by that board—by the chairman and the union representative, who was an hon. member of this house. That majority report was made on August 15, 1960. It was accepted by the unions concerned; it was rejected by the railways. "We are not able," so they said "to afford the increase." So, on September 20, 1960, the government was advised that a strike vote would be taken. That was September 20.

The government of that day intervened on November 19, after the union negotiation chairman, Mr. Frank Hall, had announced on November 15 that a strike would take place on December 3 unless a settlement was reached in the 19 days before that date, during which government mediation was taking place.

As a result the minister of labour and two other ministers met the parties to the dispute in Montreal on November 19. There was a subsequent meeting in Ottawa of the parties to the dispute with the prime minister and three ministers on November 26, one week later. These failed to settle or postpone the strike. So, legislation was introduced and passed on December 2, postponing the strike for six months.

Mr. Diefenbaker: Introduced on November 29, was it not?

Mr. Pearson: It was introduced on November 29 and passed on December 2. It is interesting to recall that that is about two weeks after parliament met. The Speech from the Throne two weeks before makes no mention of any railway difficulties of any kind.

As a result of that legislation the unions cancelled the strike date. They were instructed in the legislation to postpone that strike for six months, and they did so. Six weeks later, on January 23, 1961, the Prime Minister wrote, asking the parties to resume negotiations. On February 14 negotiations were resumed. Mr. Frank Hall advised the government on February 15 that no progress had been made and that there would be no further meetings. On April 21 the union advised the government that a strike would take place on May 16.

The parties then agreed to meet, and a settlement was reached on the basis of the recommendations of the majority report, the rejection of which, six months earlier, had caused the threat of the strike and the intervening crisis. One wonders why.

Perhaps one explanation of that may be found in the estimates which appeared very shortly afterwards. There was an amount of $50 million in subsidies—

An hon. Member: What are the strikers worried about now?

Mr. Pearson: —and that explains that situation, and it also indicates the length of time it took to resolve that dispute.

There is a third intervention, in 1958, in the British Columbia Coast Steamship Service Act, which provided for a resumption of a coast steamship service operated by the C.P.R., by the appointment of an administrator who was made subject to instructions from the governor in council. This legislation required employees to return to their duties. The terms of the existing agreement were amended to increase the rate of wages by 8

per cent, which was to apply until a settlement was reached. Provision was made in this legislation, Mr. Speaker, for compulsory arbitration by order in council if negotiations, with the assistance of a federal negotiator, failed. Arbitration was not, however, necessary.

It is interesting to compare the provisions of this particular bill with the provisions of the bill before the house.

An hon. Member: How did you vote?

Mr. Pearson: The wording is almost exactly the same, Mr. Speaker. The prime minister of that date, in 1958, said that this was not compulsory arbitration. It was merely making provision for other action if mediation failed, if and when it was required.

Mr. Diefenbaker: What did the right hon. member say at that time?

Mr. Pearson: I do not recall, Mr. Speaker, the exact words of my speech at that time. I have made so many speeches since then. I have no doubt that my right hon. friend and his colleagues in their weeks of pleasant relaxation this summer have been reading all these earlier debates, as I have, too. It is quite easy for us to use them against each other.

That is the background of parliamentary intervention in labour disputes, and the procedures which were followed by the government and by parliament when such intervention was required.

• (8:20 p.m.)

To return to the present situation, negotiations for a new contract were, I believe, begun between the unions and the railways in November of last year. These negotiations were not successful and conciliation boards were applied for. In the event, five such boards were established, three separate ones being required for non-operating employees who had previously bargained as a single group. The five boards were established under the Industrial Relations and Disputes Investigation Act. They were set up without delay after the applications had been received, and any delay in getting conciliation processes under way was due to difficulties in getting chairmen acceptable to both parties.

In my view it would have been wrong and unprecedented, as I indicated this afternoon, for the government to have intervened until these boards had reported and the unions had acted upon those reports. I have just outlined what was done in other circumstances of kind, and this was the procedure followed in 1960 and 1950.

It was understood that though there were five separate boards the unions would act as a group with regard to decisions on any recommendations made in the five reports, and any action which might subsequently be required. This meant that decision and action would be taken only after the last report had been received, and this is, in fact, was the way in which the unions operated.

It is in this context that I would outline first, the procedures and timing followed by the board and, second, the results and recommendations of these boards. Boards 1 and 2, which were under the same chairman, a chairman acceptable to both parties, dealt with the demands of 83,000 of the non-operating and shopcraft employees—about 72 per cent of the employees involved. Applications for these two boards were received on January 27 and March 1 and the boards were established on March 1, the same day as the second applications was received. Union and company representatives were appointed on March 10 and March 15 and confirmed on March 17. Two days later they informed the Minister they had agreed on Mr. Justice Munroe as chairman, and on the same day Justice Munroe was appointed as chairman.

The boards' reports were received on July 4 and the decision to strike was made on August 22—not on August 21 as the Leader of the Opposition said this afternoon, but at noon, August 22, on the Monday. The strike was to begin four days later, on August 26.

There was a third board, presided over by Hon. J. C. A. Cameron, dealing with the non-operating Canadian Brotherhood of Railway Transport and General Workers, about 20,000 in number. The application for this board was received on March 21 and the board was appointed on March 24. The union made its nomination on March 30, the company appointed its nominee on April 1, the appointments were confirmed by the Minister on April 4 and on April 18, almost two weeks later, the Minister was informed of their inability to agree on a chairman. So Hon. Mr. Justice Cameron was appointed by the government. This board reported on August 10, and strike action was decided upon on August 22, the date being fixed, as we know, for August 26.

There were two other boards. Board 4 under Judge Little was concerned with the C.N.R. Brotherhood of Railway Trainmen. This application was received on April 15.

The board was established on April 27, the union nomination was made on May 4, the railway nomination on May 6 and the appointments were confirmed on May 9. Again, members were unable to agree on a chairman and on May 26 they advised the minister of their disagreement. The minister appointed Judge Little as chairman on June 9.

The report was received on August 12, the decision to strike was reached on August 22. The same timetable applies to board number 5, also under Judge Little, except that the application was made much later, on May 27. The rest was about the same.

That is the situation with regard to the procedure followed. There was no delay on the part of the government in setting up these boards and none in dealing with the reports when they were received—and they were not received until well into August.

It would in my view have been altogether wrong to have intervened when the first report only had been made. If the government had intervened at that time—though we knew, of course, the difficulties which were being encountered—negotiations within the other boards would have been made virtually impossible; they would probably have ended their work at that time. How could a mediator appointed by the government function with regard to one board while the others which were still working had not yet reported, and conciliation procedures were still going on? This illustrates the difficulty the government faced in intervening until the boards had completed the process of collective bargaining laid down by the law. That was the procedure followed in the other circumstances I have mentioned in 1950 and 1960.

But there were differences in 1960. In 1960 the unions fixed a strike date sufficiently far ahead of the date on which the strike was decided to give the government adequate time for negotiations. This was not the case in 1966.

Mr. MacInnis (Cape Breton South): Tell us why.

Mr. Pearson: If the hon. member would exercise that patience for which he is noted, I will try to come to the "why", now that I have disposed of the "what". First, though, I wish to put on record the wage recommendations of the two boards presided over by Mr. Justice Munroe having to do with the two groups of non-operating employees, covering about 72 per cent of all the employees. In making his recommendations for wage increases Mr. Justice Munroe took into consideration, as has been done previously, the comparable earnings in the durable goods manufacturing industries—this has become in recent years an acceptable standard of comparison in affairs of this kind. On the other hand Justice Munroe said—and I quote from his report:

> It may be said that the recent wage settlements in the Quebec longshoring and St. Lawrence seaway disputes should govern my recommendation as to wage increases.

There is no doubt they would have governed any recommendations made by the Leader of the Opposition if he had been chairman of the board. But Justice Munroe went on to say:

> I think not. It should be noted that the employees affected by such settlements are not working in durable goods manufacturing industries; such settlements are not typical or representative of negotiated wage settlements for 1966 and 1967 in such industries or in industry in general; such settlements involved a relatively small number of employees and arose out of special circumstances and facts which are clearly distinguishable. It would, I think, be no more justifiable to consider such settlements as governing factors in my determination than it would be to say that other wage settlements of amounts less than my recommendation which involve larger numbers of employees, of which many examples could be cited, should govern.

• (8:30 p.m.)

In my view—

Added Judge Munroe

> —a national standard, not individual settlements or regional standards, is the proper standard to apply to the national railway industry whose employees live in remote hamlets and in metropolitan areas across Canada. The national standard of the earnings of durable goods employees, adjusted for the factors referred to in my 1964 report, remains, I think, as the sensible standard because those two groups of employees are the most nearly comparable. Such standards has the support of many years of jurisprudence. It would, I think, be unwise to abandon it at this time in the interests of expediency.

On that basis, Mr. Speaker, the Chairman—a unanimous recommendation was not thought possible, indeed a majority report was not thought possible—made his own recommendations which would produce an average increase in earnings of more than 44 cents per hour over the two year period 1966-67.

Expressed in percentage terms this came to a 4 per cent increase effective January 1, 1966; a 4 per cent increase effective July 1, 1966; a 4 per cent increase effective January 1, 1967 and a 6 per cent increase effective

July 1, 1967, or a total increase during the two year period, beginning January 1, 1966, of 18 per cent.

Mr. Douglas: At the end of the two years.

Mr. Pearson: A total of 18 per cent at the end of 1967—18 per cent reached over two years. He also, of course, made recommendations for other benefits.

The nominee of the railways on the board rejected this increase as being too high for the railways to carry, and he recommended increases effective January 1, 1966 of 3.5 per cent, effective July 1, 1966 of 3 per cent, effective January 1, 1967, of 3 per cent, and effective July 1, 1967, of 3 per cent, or a total over that two year period, beginning January 1, 1966, of 12.5 per cent.

The nominee of the unions rejected the chairman's recommendations as being too low and he recommended, effective January 1, 1966, 6½ per cent plus 13 cents an hour, and effective January 1, 1967, 6 per cent plus 14 cents an hour, which would have averaged about 25 per cent, with provision for additional increases for certain skilled categories.

In board number 3, under Mr. Cameron, roughly, the same recommendations were made—in fact the same recommendations for wage increases were made as were made by Mr. Justice Munroe, and they proved also to be unacceptable to the unions and to the railroads.

It has been said, and I have to deal with this, Mr. Speaker, because of the charges that have been made, that the failure of these negotiations is largely due to the fact that the government had invited excessive wage demands by allegedly establishing a 30 per cent formula for the whole country in the settlement of the disputes with the longshoremen in Montreal, Trois-Rivières and Quebec, and with the seaway employees.

There is of course, no such general formula, as Mr. Justice Munroe has pointed out; and to give the impression throughout the country that this has been established as a general formula by the government is, I think, both irresponsible and mischievous.

Mr. Horner (Acadia): Established by the Prime Minister.

Mr. Pearson: In the first months of 1966 there have been lower wage settlements than the two I have mentioned, and there have also been higher ones with which the government had nothing to do.

Mr. Diefenbaker: Which ones?

Mr. Pearson: I am thinking of the construction workers in Montreal in the spring of 1966, and the plumbing workers in the spring of 1966, who got increases, by negotiations between the employers and the employees, considerably higher than those granted in the two cases I have mentioned with which the government was concerned.

Let us look at the longshoremen's settlement in Montreal, which seemed to receive unanimous approval in the house the night it was introduced, but which has had nothing but criticism from members opposite since that time. The longshoremen were seasonal workers only, and in one area of Canada. There were about 4,200 workers involved and their employment averaged between eight and nine months a year. Further, a considerable proportion of them were part-time workers. Their wages were well below the construction workers in Montreal, and also well below those of longshoremen at Pacific ports. The average work period of these longshoremen was 28 hours a week in Montreal during the period of the year when they were working.

This wage settlement was accepted by the ship owners after a government commitment to introduce legislation setting up a commission which would make proposals for increased productivity in waterfront operations, and an experienced negotiator, Judge Lippe, recommended the settlement that was made. Also, that strike had lasted 38 days and the demand, both inside the house and outside, to end it was insistent.

The seaway employees' settlement—and I admit this was a direct government responsibility—concerned an international operation with Canadian employees. There were only 1,200 involved in that situation, with United States and Canadian employees working alongside each other in the same conditions of living and employment. The demand on this occasion was that in these circumstances the differential was unfair and should be removed—completely eliminated. In the settlement that was reached it was not eliminated; it was reduced.

I recall—and I am not saying this in a critical sense at all—that as recorded at page 6476 of *Hansard* for June 16 last, the hon. member for Burnaby-Coquitlam (Mr. Douglas) asked this question:

> Has the government made it clear to the seaway authority that there can be no possible objection to the workers on the Canadian side of the seaway being paid the same rates as those paid on the United States side?

And we could not make that perfectly clear because we did not admit that contention in the settlement that was made. The proposed increases to the seaway employees were recommended to the government by a government industrial inquiry commissioner, Senator MacKenzie, who also recommended them to the unions. The government did not impose that settlement. It accepted a recommendation of its mediator, which it had judged to be a fair and reasonable one.

Now, Mr. Speaker, the charge that I have been dealing with was that government intervention in the longshoremen's dispute was responsible for the wage demands made in these recent negotiations, and I want to make one further important point in this connection. It is that when the Minister of Labour (Mr. Nicholson) intervened in the dispute between the International Longshoremen's Association and the Shipping Federation of Canada on the night of June 11 and June 12, all the matters in dispute at that time had been agreed on by the parties except three, and these three did not concern wages.

One was a provision for a four hour guarantee for each recall of gangs, similar to the guarantee for initial call; the second was overtime of 40 cents an hour commencing January 1, 1966, and the third concerned arrangements for calling members of gangs over the week end for early Monday morning.

When I was called in on January 13 point No. 3 had been cleared away, and the only points which remained for settlement, although they were sticky points, were the first two points I have mentioned, and did not concern hourly wage figures at all. Those had previously been agreed upon. Agreement was reached on these last two points by the I.L.A. accepting the application of the 40 cent increase to all hourly work since January, 1966, regular or overtime, and the shipping federation accepting the four hour guarantee on recall of gangs on the understanding that this matter would be studied by the commission of inquiry which was to be set up.

• (8:40 p.m.)

So, far from imposing a wage level on that particular negotiation, that wage level had been agreed on by the two parties before the government was called in to clear up the remaining three points which did not concern wage levels. I have been waiting for some time to make that point clear.

Now, there was a good deal of talk this afternoon about and, understandably, there will be a good deal of consideration given to the matter of job security in the bill which we are now considering, and perhaps in the subsequent legislation dealing with the railways. This legislation I believe was considered by the five boards to be one of primary importance. On the Munroe board, the union representative asked for a work stablilization agreement with a job security fund. The chairman, Judge Munroe, thought more use should be made of the job security fund which was established following the 1962 negotiations, and which provided for protection for long service employees. He also pointed out that conditions have been improved by recently enacted legislation regarding training and assistance to displaced workers.

The report of Judge Little's two boards dealt with job security at greater length than it dealt with some of the other matters referred to. These two reports, which are in identical terms, in so far as this matter is concerned, are in almost identical terms to certain conclusions of the Freedman report in respect of the successful mediation of current disputes, and disputes in the future.

According to Judge Little's boards—and these are reports signed by all three members of the boards—there were three basic principles involved, in addition to the question of job security. The first question was the railways right, on due notice to the union, to determine and effect technological innovations, both major and minor, where the rights of employees might be adversely effected. The second question was negotiation between the union and the railway of the protective conditions to apply to each and every employee affected in each case. The third point was the *modus operandi* of resolving such protective conditions in the absence of mutual agreement. The union and railway representatives who appeared before these two boards agreed on one and two above.

I think it is of very great significance that on a board of this kind the railway representative did agree—as he did—to points one and two, and point two deals with negotiation between the union and the railway of the protective conditions to apply to each and every employee affected in each case. They recognize the right of negotiation in changes of this kind. They were not able, however, to agree on point three which dealt with what should be done if they could not reach agreement.

The union representative favoured the retention of the right to strike if negotiation failed. The railway representative favoured—and I quote—final and binding impartial determination, by an arbitrator, if there were such failure. It was apparent, said Judge Little's reports, that the union did not expect this issue to be resolved by the normal processes of collective bargaining and was convinced that the only solution was by way of legislation. The boards then decided that no useful purpose would be served by a specific recommendation. "We believe," the reports say, "that the differing viewpoints will not be resolved by negotiation. The only alternative therefore is legislation." But they added:

> We trust that, when the ultimate decision is made in this regard, those making it will bear in mind the broad implications which it will undoubtedly have for many industries and commodities and will accordingly look beyond the interests of the parties hereto and the mere settlement of one industrial dispute.

Mr. Speaker, the serious study of the Freedman report which is now being made is being conducted with this in mind. The implications for industry generally, and which are of far reaching significance, are being, and must be, taken into account in this study. There must be no unnecessary delay in this work. We must press ahead with it, as we are; but adequate time is required for study because of the great and general importance of the issue at stake. I hope it will not be long before the government will be able to make a report to parliament as a result of the studies which have been made. Changes in working conditions which affect job security represent a vital problem to the worker. It is hoped that difficulties can be resolved in the processes of collective bargaining.

Now, Mr. Speaker, I wish to spend a few minutes on the events leading up to the reassembling of parliament. Although the government did not formally intervene in the work of any of these boards until the boards had reported and the decision taken to call a strike, there had been very useful informal discussions—very serious and useful ones—with the railway union leaders before August 22. I had the privilege of presiding at one of those discussions.

When the decision to strike was taken on August 22—which strike was to begin four days later—the government, as the house knows, intervened formally and immediately. The decision was taken at noon on August 22. That afternoon I wired the parties concerned and proposed mediation through the Minister of Labour.

Mr. Diefenbaker: Mr. Speaker, would the Prime Minister allow a question? Was he not informed of the strike date on Sunday evening, on his return from New Brunswick?

Mr. Pearson: No, Mr. Speaker; I was not informed, nor was the decision taken, until noon Monday. The right hon. gentleman this afternoon used the date of August 21 as the date on which we were informed. That does not happen to be accurate. That was the week end which, according to him, I was loafing around Campobello. I must confess, Mr. Speaker, to being an indolent person, but on that Saturday I had work to do in the morning and I flew to Campobello in the afternoon and spent the evening with the Premier of New Brunswick. I spent the following day with the President of the United States and returned to Ottawa in the evening. I spent part of the evening attending a meeting of the strike committee of the cabinet.

That was not exactly a lost week end, Mr. Speaker. I would have been much happier if I could have been spending that week end fishing out in Saskatchewan.

Mr. Diefenbaker: You had the opportunity of going to Saskatchewan and did not take advantage of it.

Mr. Pearson: When the decision was made Monday morning—and we received notice of it at noon—I wired the parties at once and proposed mediation. That offer was accepted. Many things began at once, with which the Minister of Labour was acquainted. At this point perhaps I may be permitted to mention the skilled and valuable assistance that was given by the deputy minister of labour, Mr. Wilson. If I may, I should like to pay a tribute to the deputy minister and other officials in his department who had a very busy summer.

• (8:50 p.m.)

The effort on both sides was and remains, sincere and genuine; there was good will as well as frankness. But the time was so short, and the situation such that no settlement could be reached before the strike date, though a better understanding was reached and some points were cleared up.

Even after the strike began mediation continued, and will continue while this legislation is being considered, in the hope that an

agreement might be reached which, even at this last moment, would make it unnecessary. The negotiators on both sides are Canadians who are very conscious of the national interest and the national welfare, as well as the interests of those whom they have been chosen to represent.

I conclude my remarks by giving a short explanation of the bill, as I think I am bound to do, Mr. Speaker. It will of course be dealt with in greater detail by the Minister of Labour (Mr. Nicholson) either later in this debate or during the committee stage.

The essential provision of the bill is the provision for the immediate resumption of railway services now suspended by the strike. This discharges the primary duty of the government to maintain essential services. Indeed, Mr. Speaker, this is the reason why parliament has been called into session.

Equally important, the bill provides for the resumption of negotiations between the parties and reactivates the normal procedures of collective bargaining. The bargaining will be aided by what we hope will be the passage of new railway legislation placing the railways in a more competitive earning position, and by the assurance that the study of the Freedman report is being processed to the point that there will be specific recommendations for the government and from the government before long.

Naturally, Mr. Speaker, we regret very much that there has not been legislation of this kind in effect in recent years. It would have been easier to conduct these negotiations had that been the case. The right hon. gentleman opposite must understand our difficulty, because in 1960 when he was speaking to the house about railway difficulties at that time, and a strike which had been set by the railway unions, he pointed out that it was then 1960 and that during a six month postponement of the strike it would be possible to receive a report of a commission, and action would then make it possible for the railways to meet increased charges by changes which would be made in their freight rate structure. That was in 1960. I should point out that since that time this government came into office, specifically in 1963, and proposed legislation to this effect was placed on the order paper. This was not brought before the house in 1963, but in 1964 it was debated and the subject matter of a railway bill was sent to the committee where it was very constructively debated for a considerable period of time. It was perfectly clear in 1964 that the bill, as drafted, would not pass the house.

[Mr. Pearson.]

Since that time, Mr. Speaker, this bill has been revised and a lot of discussion has taken place. These revisions are contained in the bill which is now before the house, and in legislation which I previously indicated would be brought before the house during this autumn session.

Let me return to my explanation of the bill now before us. The railways and the unions are required under the bill to continue their negotiations with a view to the settlement of all matters presently in dispute between them. The collective agreements which expired at the end of 1965 are extended until December 31, 1967.

The bill provides that the Minister of Labour shall appoint a mediator, or mediators, and he will be in a position to do that immediately this bill is dealt with by the house. These mediators shall endeavour to settle the questions in dispute between the railway companies and the unions. This mediation process will be given until November 15 of this year to bring about an agreement between the parties. A report must be received by the Minister of Labour not later than that date. There is provision, however, for the the continuation of mediation after November 15 if the report shows that favourable progress is being made in negotiations.

The bill makes it possible, as a last resort, as the 1958 bill made it possible, for the governor in council to refer any unresolved matters to a board of three arbitrators. The bill also provides that the governor in council may make regulations to give effect to the decision of the arbitration board. Any decision of this board of arbitrators would be incorporated in the collective agreement, but the parties would of course be free to agree to vary or amend any of the terms of agreement set by the board of arbitrators.

If, which I hope will not be the case, the government should find it necessary to appoint this board of arbitrators, the regulation by order in council establishing the board will be laid before this house not later than five days after the day the regulation is made. In this respect the present bill differs from the 1958 bill, which made no provision of that kind for recognition of parliamentary control over an order in council.

This regulation, as I have just mentioned, would become effective on the tenth sitting day of parliament after the day the regulation is laid before the house, unless before that day the regulation were to be revoked

by the house by way of a notice of motion. The mechanics of tabling and of revocation are set forth in the bill.

It is therefore, Mr. Speaker, a very important feature of this bill that the parties are left free to negotiate, with the help of a mediator, and that, if any arbitration is necessary, it will only be instituted by the government subject to an overriding veto of the House of Commons.

The bill includes provision to safeguard the right of the employees now on strike to return to work without fear of being discharged from their employment or disciplined in any other way because of their participation in strike action.

The bill provides for the immediate withdrawal of the notice given by union representatives to their employees calling the strike, which will become invalid when this bill becomes law.

Finally, Mr. Speaker, the bill provides for an immediate increase in the rate of wages in the amount of 4 per cent effective January 1, 1966 and an additional 4 per cent effective July 1, 1966. As I have said, that can be varied, of course, as a result of the negotiation which will follow the passage of this bill.

Consequently, the employees who would resume their employment would be given an immediate increase for the year 1966—and this did not happen in 1960—without prejudice to the position of the parties to the negotiations that will continue to implement the collective agreement extended to December 31, 1967. The amount of the immediate increase represents the figure established by Mr. Justice Munroe and accepted by Mr. Justice Cameron for the year 1966 in the two conciliation board reports, presided over by those gentlemen. Any further change for 1966 and for 1967, as I have already indicated, would depend upon the results of the mediation or the arbitration specified in the bill.

Mr. Speaker, that is essentially the bill which is now before the house for consideration. I think it is a good, fair and reasonable bill and I hope it will commend itself to this house. I also hope that if and when this bill becomes law it will prove to be effective in bringing this strike to an end, because that is its purpose—to end the strike and to continue the process of negotiation in order to reach a fair and reasonable settlement between the workers and the railways, aided by mediation appointed by the government. I hope this will be assisted as a result of the legislation on railways which will be before the house if and when we dispose of this particular bill. In that spirit, Mr. Speaker, I commend this bill to the house and hope it will be effective in achieving the object we all have in mind, namely the ending of this strike.

• (9:00 p.m.)

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, it is 16 years ago today that the then prime minister, Right Hon. Louis St. Laurent, had parliament recalled and introduced legislation with respect to a strike which had been in progress for a period of seven or eight days. Sixteen years thereafter to the day parliament, for the second time, is dealing with a strike that has been under way in this case some three days already. I have heard the Prime Minister (Mr. Pearson) on many occasions throughout the years that he has been minister, leader of the opposition and Prime Minister, but I have never known him to labour, as he did on this occasion, in endeavouring to make some reasonable explanation for the dilatory uncertainty, the ineptitude, the chronic indifference of this government to the need of action, as was evident this evening as he spoke.

The Prime Minister recalled the four occasions on which the matter of strikes had been before parliament. He said—and with this view I agree—that Canada expects, all Canadians expect, that the strike will be brought to an end in a proper and equitable manner, fair to the nation and fair to labour. Indeed, I go further than that. Never in all the years that I have followed public affairs have I known a government to be criticized by its greatest admirers in the press for its failure to act before the strike took place. Why didn't they act? Why this attitude of waiting around and hoping that something would turn up. It is because, sir, this government has lost all sense of proportion. Today we have a government that will not act unless forced to do so. It does not make so many mistakes, so long as it is thinking about these matters. It is when it finally makes a decision that the really serious mistakes are made.

Will this legislation in its present form bring an end to the strike? Will the Prime Minister say that as a result of the informal discussions which he and the Minister of Labour (Mr. Nicholson) had with labour representatives, the labouring men covered by these agreements, those working on the railways, are prepared to return to work on the

basis of clause 6(b), which provides as follows:

—each basic daily rate in effect on December 31, 1965, established by or pursuant to the agreement in the case of an agreement binding or entered into on behalf of operating employees by 4 per cent effective January 1, 1966, and an additional 4 per cent effective July 1, 1966.

The actual increase will be 6 per cent. That is an interesting figure when one begins to realize the degree to which the 6 per cent bank interest rate has caused difficulty in recent months. Will the men go back to work? Those in the Liberal party used to be the six bucks boys. We remember them. Now they are the 6 per cent boys. They are offering to the workers far less than was actually offered or suggested by the conciliation board. I ask again: Will these men go back to work? We want them to go back to work. Their families want them to go back to work. The families of many are having difficulty living in a reasonable and decent way because of the inflationary trends in this country.

Mr. Hamilton: Caused by Pearson.

Mr. Diefenbaker: Caused by the degree to which the dollar falls and falls in purchasing power and the government fails to do anything. When we ask for action, the answer from the Minister of Finance (Mr. Sharp) is always accompanied by that beatific smile. Here it is.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: And he says, "We are looking into this matter." I can see the smile now on the face of the former minister of finance. How he must laugh at what is happening today. He had his difficulties, but they were almost heavenly compared to the difficulties of his successor—and both were equally successful.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: With those few generous words, I want to ask this government: Do you ask parliament to say to men, "You shall work" and at the same time say, "You shall work for an increase of 6 per cent"? No amount of evasive circumlocution on the part of the Prime Minister can get away from the fact that he and his government made 30 per cent and 34 per cent the basic increase in keeping with present day conditions. That is what they did. They boasted about the tremendous achievement that had been brought about. Ordinary mortals could not do it.

• (9:10 p.m.)

There were difficulties. The Minister of Labour (Mr. Nicholson) laboured and brought forth a mouse; but when the Prime Minister got hold of that problem, it grew to 31 to 34 per cent. I say to the Prime Minister that he and his government are responsible in large measure for the tremendous undercurrent within this nation today, for anxiety about the government's uncertainty and, above all, their capacity for achieving settlements. Will the men who are affected go back to work? Parliament has the right to know and to receive an assurance on that. Parliament must not be asked to pass legislation and then find itself challenged. If that ever takes place, this nation will face a situation dangerous to the people as a whole, and completely destructive of parliament. When laws are passed, whether we agree with them or not, those laws are the law of the land.

Are we in parliament to be asked to pass legislation decreeing a 6 per cent increase without knowing what the reaction will be, not of a few people but of many? I said this afternoon, and I have no reason to withdraw it this evening: People who work are generally law abiding. The government speaks of 6 per cent and compulsory arbitration. It is easy to pass laws, but unless they have the support of the people, they will have the effect of adding to the psychology of lawlessness that is more and more becoming an attribute of some democracies.

I implore the Prime Minister to ask the Minister of Labour to tell the house whether this will be accepted. Does he say it is fair? Does he say it is reasonable? If we are going to pass legislation of this kind, we have to have behind it the whole power of the thinking of parliament.

I am not familiar with the operation of unions. The minister of manpower is present; he is familiar with these matters. A week ago Sunday he announced at a political meeting in the province of Quebec that there could be no compulsory arbitration. Both he and the Minister of Forestry (Mr. Sauvé) are authorities on labour for others. They belong or did belong to a great union which today is challenging national unions through raids for membership, holding out the expectation and hope that with two outstanding members in the cabinet it is better to belong to such a union if you want to get things done. I am glad there is no competition there because everybody said the hon. gentleman is one of those who leads or who has led the competition. If the hon. gentleman is experienced in

such matters and wishes to speak, I will give him an opportunity to do so. But let me ask the minister of manpower how will union leaders explain the fact that 6 per cent is good enough, when he was a member of a government which gave its approval and wholehearted support to an increase of 31 to 34 per cent?

That is where the trouble began. I have no doubt whatever, and I have reason to believe this is entirely correct, that if it had not been for the Prime Minister's monkeying with the processes of conciliation in connection with the seaway workers and the longshoremen there would have been no difficulty in securing agreement in so far as the railway unions are concerned.

It is obvious that this nation is in a critical position; but parliament cannot allow itself to be pushed around by a prime minister or a government which, having created a situation and failed to act, now comes before the House of Commons and contends: Whatever our mistakes, our dilatoriness, we now need to pass legislation; the situation is serious. Was it not serious ten days ago? Was it not recognized in every part of this country for several months that there was going to be a strike? If anybody challenges this, I have here some excerpts from Liberal newspapers across Canada, which, without exception, have been warning this government. I do not know what is required to wake this government. Is there something to awaken the lethargy of a government which has refused to act? They have postponed action and procrastinated, and when they finally found themselves in difficulties they have called parliament.

We want to act as responsible members of this nation. Did we not have the right to ask the government, as we have over and over again, to do something? However, I do not know whether what is being done is part of the new Liberal program, under which the Liberals are seeking more labour support and wooing the unions with a newsletter. I do not have time to go into that, Mr. Speaker, but this is courtship of a high variety. In the labour newsletter the Prime Minister is speaking to ordinary men. The heading in the *Globe and Mail* indicates that the unions are being wooed with a newsletter. Was that part of the preparatory course?

The wooing of any group of Canadians is not in keeping with government responsibility. You do not do it by having the members of the cabinet committee dealing with a labour dispute away on the week end when things are serious. It is laudable to go fishing. I would like to have heard what President Johnson said to the Prime Minister and what the Prime Minister said to him with regard to this question, because the other day the President said he was talking to the leader of a country who said to him, "I only wish I could keep things under control the way you do". The cost of living in Canada is mounting faster than in the United States, yet no action has been taken. It is a frightful commentary when a Prime Minister comes before parliament, on bended knee and says, in effect: Do something to get me out of this.

• (9:20 p.m.)

We want the railways in operation. The economy of Canada is being damaged. A very influential writer has said the government thought a strike would not do any harm if it lasted a week or ten days. A lady, writing in *Le Devoir* has said the government secured information as to the point to which a strike would not be economically harmful. This afternoon we heard words of warning, sage and strong, brought forward by the hon. member for Queens-Lunenburg (Mr. Crouse). What about the prairie wheat situation? What about the export situation across Canada? I say this to the government: We offered you co-operation ten days or two weeks ago. We joined with the press across Canada in asking you to convene parliament before the strike began.

What is there in this bill that you could not have had after it became clear there was going to be a strike? Why did you not act? What was the reason? I can only conclude the reason was that you did not particularly care, and you possibly believed if there was a strike it would get you out of your difficulties.

I read now in translation from the article in *Le Devoir* dated August 25 and written by Evelyn Dumas-Gagnon:

> According to a confidential report submitted to the cabinet a rail strike will surely be serious, but the country's economy can support it rather easily for a week or even for two weeks.

What was the attitude of the government? The Minister of Labour (Mr. Nicholson) said on August 22 that he hoped the work stoppage could be reduced to a minimum of days. What a hopeless attitude to take. I have already mentioned what the proposed minister of manpower said at Nicolet on August 21. I say, Mr. Speaker, this government stands convicted of a careless disregard of the

national interest by not convening parliament.

They are always expecting to do something. Job security is one thing that affects labour men everywhere. They are frightened that automation will reduce or perhaps remove their jobs. This has been the situation during the last two years. Tonight the Prime Minister says: We have ideas on this subject but we are not going to tell you at this time. We have a right to know so that labouring men across Canada will know what the policy is. I look over there at the Secretary of State for External Affairs (Mr. Martin), a man with wide international experience, and I can just imagine how he feels after what he said in 1960. I think I ought to recall that to him. I do so, of course, with that natural diffidence that he always displays. What did he say? Well, in 1960, the matter was before the house. We introduced legislation to stop the strike before it started. The Prime Minister has said we had lots of time; he had plenty of time too.

I repeat what I said this afternoon. My information is the Prime Minister was told by labour leaders on Sunday night, August 21, that the strike would start on Friday next. They knew officially on the Monday. The Minister of Labour, in a very attractive television appearance, admitted he knew unofficially on Sunday.

Mr. Nicholson: I did not.

Mr. Diefenbaker: Well, I have the record here and I should like to read it for the benefit of the house. I must say it is broken into a lot of sections. They knew and they failed to act. What did they do in 1960? On that occasion the Prime Minister of today said:

> What we are faced with in this legislation is compulsory—

Mr. Pickersgill: Would the right hon. gentleman give me the page, please?

Mr. Diefenbaker: I will always give you the page.

Mr. Pickersgill: I should like to follow the right hon. gentleman.

Mr. Diefenbaker: I quote:

> What we are faced with in this legislation is compulsory action—

Mr. Pickersgill: On a point of order, Mr. Speaker; I think we are entitled to have the reference.

[Mr. Diefenbaker.]

Mr. Speaker: Order; I understand that the Minister of Transport is raising a point of order.

Mr. Pickersgill: My point of order is that when a reference is made to *Hansard* it is a courtesy to give the page number so that hon. members may follow.

Mr. Diefenbaker: That is true, and if I can approximate the page, I think he can find it.

Mr. Pickersgill: We know how accurate the right hon. gentleman is.

Mr. Diefenbaker: I have the reference; it is page 349. The minister has the book opened at the right page. You never ask a question unless you know the answer. I continue to quote from page 349:

> What we are faced with in this legislation is compulsory action, compulsory implementation of a minority report.

Then, he goes on to speak about the powers of those who sit opposite today. I continue to quote:

> In the first place, I think we would have been more successful than the government has been in settling this dispute through discussion and agreement.

• (9:30 p.m.)

This is when they were thinking about it. With the responsibility they have today, we now have an answer for that. He continued:

> If, however, we had not been successful in our intervention in settling this dispute by negotiation or agreement, what would we have done in that situation after negotiations between the two parties had broken down? I shall be happy to put on the record what we would have done.

It is interesting to find the Minister of Transport (Mr. Pickersgill) reading that page because he is realizing how incongruous was the argument of the Prime Minister a few minutes ago.

> First, we would have introduced legislation which would have made this strike unnecessary—

The Prime Minister forgot that, though the Minister of Transport is now studying this particular page of *Hansard*.

> —because we agree with the Minister of Labour that it is impossible to contemplate the unhappy consequences of a railway strike at this time. Second, we would have based that legislation on the report of the conciliation board, because we do not believe that parliament should compel men to continue to work for wages which are lower than the conciliation board found to be fair and reasonable—

Some hon. Members: Oh, oh.

Mr. Pearson: You gave them nothing at all.

Mr. Diefenbaker: Why, then, is there no incorporation of the conciliation board report for January 1, 1967 and July 1, 1967?

Third, we would not provide for any subsidy at this time, because—

Mr. Pickersgill: The right hon. gentleman has left a lot out.

Mr. Diefenbaker:

—we believe the railways to be in a position to pay the increased wages for the period until the royal commission on transportation makes its report—the Prime Minister has said that that will be by the end of March—and until the government is then in a position to review the whole problem of railway finances in the light of the actions which have been taken. That is how the Liberal opposition would have prevented this strike and in doing so have given justice to the employees without, in our view, prejudicing the position of the railways.

Mr. Pickersgill: If the right hon. gentlemen would permit me to ask him a question—

Some hon. Members: Oh, oh.

Mr. Monteith: Sit down, Jack, and make your speech later.

Mr. Speaker: Order, please. The Leader of the Opposition has the floor.

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

Mr. Diefenbaker: I will allow the hon. gentleman to ask his question when I have concluded.

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

Mr. Diefenbaker: Oh, a question of privilege.

Mr. Pickersgill: My question of privilege is a very simple one. When the house is given what purports to be a quotation from *Hansard*, it should be given in full.

Mr. Diefenbaker: All right.

Mr. Pickersgill: The right hon. gentleman carefully omitted certain of the words from this paragraph, as has happened on many occasions in the past.

Mr. Diefenbaker: That is the usual interruption from the hon. gentleman. When he realizes that he has not any argument, then he brings along one of these phony smokescreens. He will have every opportunity to review and deal in detail with what I have to say, and I expect he will, but I hope more successfully than his leader.

Now, a moment ago I mentioned the Secretary of State for External Affairs. As reported at page 371, of *Hansard*, he said:

Mr. Speaker, I have followed carefully the remarks made by the Prime Minister yesterday, his observations over television last night, and the third instalment of his speech in this house this afternoon. I wish to say at the outset that the position stated by the Leader of the Opposition yesterday was clear and precise.

So he gives approval to what the Prime Minister of today said on that occasion.

We say this strike should have been prevented.

Those are the strong words of a man who knows his labour problems at first hand.

We would have made sure that a strike would have been unnecessary instead of implementing a minority report, as the government is doing. We would have provided a settlement based on the majority report of the conciliation board which was accepted by the railway workers.

Was the present report accepted by the railway workers?

Mr. Martin (Essex East): How much did you give them in 1960?

Mr. Diefenbaker: We are dealing with today.

Mr. Starr: We negotiated it and achieved it through collective bargaining.

Mr. Diefenbaker: The hon. gentleman settled this almost as completely as he settled some international problems recently. He went on:

For these reasons, if we had been in office, there would have been no strike but there would have been a fair settlement.

These are the people who today occupy the treasury benches.

Mr. Starr: And we have a strike.

Mr. Diefenbaker: These are the people who knew how to settle these matters. They now come before parliament. Instead of having parliament meet, as parliament could have met last Wednesday and Thursday, they waited.

Now, sir, the Prime Minister went into some detail regarding the manner in which the government had dealt with this question. Therefore I think I ought to put on the record the balance sheet of pussyfooting by this government.

Legislation Respecting Railway Matters

On October 28, 1965, in view of the contracts expiring on December 31, three negotiating committees were formed by the unions. In November the railway workers submitted their proposals to the companies. On December 31, 1965 the contracts expired, the companies making no counter proposals on monetary clauses because they said that the cost would be too high.

In mid-March of 1966 the three negotiating committees for the railwaymen asked for conciliation. While all this was going on, the former minister of labour, the hon. member for Ontario (Mr. Starr), made suggestions in the house as to what should be done. There was no response.

On July 6 there were issued the two Munroe reports, that of the non-operatives and the associated shop workers, which were immediately rejected by the union leaders, who called for a strike vote with a recommendation by the leaders that a strike be approved.

On August 11 we had the Cameron report, and immediately the union leaders said a strike should be called in that connection. On August 15 the Little report on the Brotherhood of Railway Trainmen was made public. In fact, there were two reports, one for C.N.R. employees and the other for C.P.R. employees. Both sets of employees took a stand against the respective reports and called for strike votes.

On August 17, at a press conference, the Prime Minister informed the nation that the cabinet had the situation well in hand—I ask, whose hand?—and that an ad hoc cabinet committee had been sitting for some time and was preparing plans for every eventuality.

• (9:40 p.m.)

On August 18 and 19 the strike committee sat. On Friday the 19th the Prime Minister's office said that the situation was well in hand, and that the committee has been asked to reconvene on Monday; that a cabinet meeting would be held, if necessary, on Tuesday. What a record of dilatoriness, failure to act, and pretence. Now he comes before parliament and says: "It is a frightful position we are in." And it is. I say again, through you, sir, to the Prime Minister and the members of his cabinet: You are the ones who made it so.

[Mr. Diefenbaker.]

In 1960 the Prime Minister said that he could not accept the bill that was presented. I quote from page 350 of *Hansard* of that year:

> In passing, therefore, from collective bargaining, as we are doing in this bill, to the prevention of a strike by legislation by imposing a compulsory settlement—though perhaps it will be only a temporary one, it is a compulsory settlement—the government is asking parliament to take the responsibility for the scale of wages and the conditions of work of these workers.

Well, sir, there is the situation. I want to refer to the 1960 bill so that there will be no mistake as to its provisions. We pointed out at that time that it was not compulsory arbitration, and every one of the ministers who sits opposite today, who was in the house at that time, voted against it.

What a change in six years. We stopped the strike by our action. The present government has acted as though it did not mind if there was a strike or not. When I listened to the Prime Minister on his national broadcast, I could only conclude that he was trying to find someone to blame for the government's shortcomings. He blamed it on labour; he blamed it on everybody else: Physician, heal thyself.

Sir, the Prime Minister voted against the legislation in 1960; so did the Minister of Transport; so did several other ministers who are today in the house. What manner of consistency is this? Why did they take that stand?

We have been consistent throughout, in our views. In 1950, when 16 years ago today Prime Minister St. Laurent introduced the legislation, he described the national position as being a national emergency. We at that time took a strong stand against compulsory arbitration. We have not seen fit in the passing years to alter that stand.

An hon. Member: It was 15.

Mr. Diefenbaker: Sir, what do you expect will happen when employees find themselves caught in spiralling inflation. In the face of the galloping reduction of the buying power of the dollar where are the workers, those who have fixed incomes to find help?

That is why I said the other day, and I still say, that before we leave here the government must act. Does any one of the ministers sitting opposite realize that in every part of this nation people are aroused over the cost of living? Go down to the market. The farmer is not getting the additional amount. Who is getting that layer of fat, as prices go up, up and up?

I suggested this afternoon that in view of the legislative jurisdiction of the provinces, a conference should be called at once. It could be called. I am sure the provincial governments are aware of the serious situation and of the need of joint action. Unless action is taken we will face over and over again, in increasing measure, the serious consequences which in the past few months have made Canada a country of continuing strikes. There is not a word about this from over there; we just have generalities. We want to know what you are going to do.

Are new arrangements to be made in regard to labour relations? If so, let us act. Could there not be set up by parliament a labour law commission to recommend and have as a responsibility the task of updating and revising labour laws by agreement? On June 13 I suggested that the government set up a commission to review in detail the general position created in employer-employee relations by reason of technological change which I described as a matter of prime importance in connection with the various disputes which are arising. The Prime Minister answered, as reported at page 6299 of *Hansard*:

> The matter mentioned by my right hon. friend is, of course, one of very great and continuing significance, as we have learned—if we needed to learn—from the dispute that we have been discussing. It may well be, Mr. Speaker, that if the house requires an opportunity to discuss this particular dispute, this will be one of the elements that we will be discussing. I quite agree that it should be considered in its wider context. I think it would be the feeling of the house that the government would give consideration to an examination of the kind suggested by my right hon. friend.

What about the MacPherson royal commission recommendations? They had not been thought of as a possibility until the last few days, according to the Minister of Labour.

The general railway bill, I am glad to hear, will be placed before a committee of the house; for some of these provisions, if carried into effect, would bring about continuing discrimination for all time to come against the western and maritime provinces.

An hon. Member: It is not the maritime provinces at all.

Mr. Diefenbaker: You are not going to settle strike difficulties, and their basic causes, by toughness. You must be fair and reasonable. That is principle number two. Is a 6 per cent increase fair and reasonable?

Mr. Pickersgill: I wish the right hon. gentleman would permit me to ask him one question.

Mr. Diefenbaker: No.

Mr. Pickersgill: I did not think he would.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: No. It is not because the hon. gentleman has any question which would give any difficulty; it is simply that I want to teach him decorum.

• (9:50 p.m.)

In connection with the recommendations of Mr. Justice Munroe, what does the government intend to do about the employee benefit plan? Is the government not prepared to make some allowances? At the present time the employees pay 50 per cent. Is there any reason why they should have to pay that? In connection with life insurance they receive $1,500 in insurance. They have asked for $2,500. The Munroe report recommended $2,000. What is the attitude of the government? Surely some of these questions are worthy of consideration. What about holidays? The railwaymen have a maximum of three weeks holidays after 15 years of service. What is the government going to do about that? When the Minister of Transport (Mr. Pickersgill) speaks I hope he will be able to clarify these dark corners.

What about sick leave? What attitude do hon. gentlemen opposite take on this subject? These are some of the questions which deserve to be clarified and understood, because—and I say this with all the force at my command—when you secure from parliament the power to say to a person "you must work", fairness demands that consideration be shown to the person so directed.

I should like to see a federal labour fact finding commission to be made up of qualified, experienced persons from within the ranks of labour, management and government—which would have the function of providing the basic information upon which negotiations could proceed. This board would be permanently constituted and would produce facts and figures dealing with the relationship between any given industry and the general economy. Such a board, if it had been set up prior to the start of these negotiations would have provided both employer and employees with analyses and reports related to the agreements, without in any way limiting the field of bargaining; it would lay down

guide lines within which bargaining would be easier to carry out.

If this were done there would not be the delay which has taken place in this case since December of 1965. When negotiations get under way a great deal of the preliminary work normally done by a conciliation board would be already completed, thus shortening the present time-consuming conciliation process.

Present conciliation procedures are often time wasting and frustrating, and I place this suggestion before the house in the hope that the government may give consideration to establishing a body such as this which would operate continuously, making available full economic and statistical information to both labour and industry at all times.

Now, sir, I say through you to the government that the answer given by the Prime Minister, the defence, the apologia, will not satisfy anybody. It was carefully put together, replete with apologies and alibis. But apologies and alibis do not fill dinner pails.

In 1960—

Mr. Pickersgill: They did not have a dinner pail then.

Mr. Diefenbaker: —the opposition of that day, now the government, moved an amendment. I wonder whether they recall it.

An hon. Member: Forgotten it.

Mr. Diefenbaker: Certainly not the Minister of Transport, because he has the document before him. But do the others recall it? I intend to read that amendment. Remember, these are the people, now sitting opposite, who condemned us for stopping a strike before it began.

Mr. Pickersgill: And giving the workers nothing.

Mr. Starr: They got everything: They got collective bargaining.

Mr. Diefenbaker: Today they are to get 6 per cent from the successors of the six-buck boys. What did they do in 1960 when we preserved this nation from a strike and, after a period of time, were able to secure agreement? The Prime Minister says he hopes we will act with the same responsibility as he and those associated with him did. What did they do? They moved an amendment, as recorded in *Hansard* at page 350—

[Mr. Diefenbaker.]

The right hon. gentleman was speaking, and these were his words:

Therefore, so there will be no misunderstanding or mistake about the attitude of the Liberal opposition, I wish to move, seconded by the hon. member for Laurier, the following amendment: "This house declines to proceed with the second reading of a bill the provisions of which establish a compulsory and discriminatory wage freeze for railway employees contrary to the recommendation for a wage increase made by a board of conciliation appointed under the Industrial Relations and Disputes Investigation Act."

Some hon. Members: Hear, hear.

Mr. Pearson: No freeze this time.

Mr. Diefenbaker: Are they boasting over there about what they are doing with their 6 per cent, having recently given 31 per cent and their approval of it? Do they boast today about the 6 per cent they provide? Do they boast about the provisions for compulsory arbitration which are set out in detail within this bill?

This is a measure which constitutes the worst kind of compulsory legislation. Let us read what it says. Clause 9(1) provides as follows:

The Minister of Labour shall appoint a mediator—

I shall leave out the other words.

—who shall forthwith endeavour to mediate the matters in dispute between the railway companies and the unions and to bring about agreement between them and who shall report to the Minister of Labour, not later than November 15, 1966, on the progress of the negotiations between the railway companies and the unions.

Well, my hon. friend from Ontario (Mr. Starr) asked for the appointment of a mediator in June. He said, act. But while fear and frustration operated, the government did nothing. Now they come along and say: Appoint a mediator.

Reading further in clause 9, we find this:

(2) If the mediator reports to the Minister of Labour that favourable progress in negotiations has been made, the governor in council may direct the mediator to continue mediation and to make a further report to the Minister of Labour at such time as the governor in council, on the recommendation of the Minister of Labour, may direct.

• (10:00 p.m.)

Then clause 10 reads:

On the recommendation of the Minister of Labour . . . the governor in council may make regulations

(a) for referring to a board of three arbitrators appointed by the governor in council . . . such matters relating to the revision or amendment of the collective agreements to which this act applies as the parties thereto may request or as the governor in council may deem expedient—

What is that but compulsory arbitration of the worst kind?

Mr. Pickersgill: It was exactly the same in your bill of 1958.

Mr. Diefenbaker: I wish you would get over that Smallwood approach. Clause 10 continues:

(b) providing for the powers of the board of arbitrators appointed under paragraph (a), the procedure to be followed for the purposes of arbitration, the form in which decisions of the board shall be set forth and for giving effect to any decision of that board, or by the chairman of the board where no majority decision is reached.

(2) In the event that a board of arbitrators is appointed under paragraph (a) of subsection (1) and decides any matter not agreed upon between a railway company and a union at the time of its decision, the collective agreement to which this Act applies between the railway company and the union shall be deemed to be amended by the incorporation therein of such decision, but nothing in this section shall be deemed to limit or restrict the rights of parties—

Sir, in 1950, the government of which some hon. members opposite formed a part, imposed compulsory arbitration. Again tonight, as so often in the past, the Prime Minister gave vocal support to the maintenance of collective bargaining while at the same time bringing in compulsory legislation that would not have been necessary if the government had acted in time.

Sir, it is ten o'clock.

Mr. McIlraith: Mr. Speaker—

Mr. Diefenbaker: Before the hon. gentleman speaks, Mr. Speaker, may I recall that I said to the Minister of Transport I would be glad to answer his questions. I am ready.

Mr. McIlraith: Mr. Speaker, since the opposition have indicated their desire to get on with this debate I would ask if the house would consent to permitting the right hon. Leader of the Opposition (Mr. Diefenbaker) to conclude his remarks.

Mr. Diefenbaker: Oh, don't give me any particular grace.

Mr. Pearson: Mr. Speaker, I am sure there will be unanimous consent for that, because this is a very urgent situation.

Mr. Diefenbaker: I am glad to note at last that the Prime Minister regards this as an urgent situation. He delayed, and dillied and dallied for months, but I am very glad that at last tonight he realizes the seriousness of the situation.

Mr. Pearson: Carry on.

Mr. Speaker: I understand that the right hon. gentleman who has the floor has called it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*Translation*]

NATIONAL CAPITAL COMMISSION—PROTESTS RESPECTING LACK OF BILINGUAL R.C.M.P. OFFICERS

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I am pleased to remind the proper authorities of the presence in Canada of a French Canadian population. At the time I asked it, my question had to do with the National Capital Commission and unilingual members of the R.C.M.P.

It happens quite often that French Canadians from Quebec or other provinces come here, in the Ottawa-Hull area, and cannot speak to the authorities in their own language even though our constitution recognizes bilingualism, especially within the central government.

Now, we have been behindhand for many years. If we stress that fact, it is neither through ill will nor through discrimination but to find a positive way of making Canada a pleasant country to live in, where the two cultures and the two nations feel equal, especially in this Canadian Mecca, the federal capital, the Ottawa-Hull area. Mr. Speaker, if we raise this question periodically, it is because we would like the government to settle it permanently instead of always putting off its solution indefinitely. It would be easy for two great cultures closer to one another. Well, I am quite willing to give the hon. member for Lotbinière credit for his aspirations and enthusiasm, but I would much prefer to see constructive action, especially as far as this area where we live is concerned. You will find here citizens from all parts of the present government to act along those lines. In various circumstances, it has been said both here and outside the house that the government is in favour of that idea. I recall that during the debate on a bill dealing with culture, the hon. member for Lotbinière (Mr. Choquette) identified the right hon. Prime Minister (Mr. Pearson) as the man who would galvanize the future of Canada and bring the

Canada, from Halifax to Vancouver, and it is most pleasant to live here and to get to know one another. However, we would like the culture and the language of the two great nations to be considered on an equal footing here, in the Ottawa-Hull area.

As far as the R.C.M.P. is concerned, one must not be afraid to state the facts. There have been difficult technical problems and it is quite possible that French Canadians who joined the force in the past with certain aspirations failed to demand that their rights be respected. They realized that to go up within the R.C.M.P., they had to refrain from speaking French, they had to speak English and accept the general understanding that they abandon their language and forego their characteristic.

Today, however, in view of the new dynamism of the French Canadian people which was so concretely expressed in the new orientation taken by Quebec, which seeks to work with the whole of Canada instead of separating from it, we would like the federal government to act. I do not know which minister will reply, but I would like to get a precise answer.

We are often given evasive replies in the house. We always have to come back on the same subjects to get explanations and details. Why could we not, once and for all, get from the responsible minister or the parliamentary secretary an assurance, a firm and definite statement in that respect? I see that the Solicitor General (Mr. Pennell) is in his seat. He is probably the one who will answer. Well, I hope that for once we will be given in good faith a clear and accurate statement concerning bilingualism within the R.C.M.P. and the assurance that immediate steps will be taken to give the French speaking population the prerogatives to which they are entitled at the federal level of administration.

We do not have the feeling that we are asking for something which is out of the ordinary. We only demand that the rights of French Canadians be respected. Our group does not feel superior to the other but wants to have its own say.

I have often had the opportunity of putting written or oral questions to the Minister of National Defence (Mr. Hellyer) whom I see in his seat. I have also asked questions of the Minister of Veterans Affairs (Mr. Teillet) concerning veterans hospitals but tonight the R.C.M.P. is involved. When can we get a straight answer, a firm policy, an effective policy, here in Ottawa?

When can we obtain justice, when will we achieve equality of the two great cultures?

• (10:10 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. I must interrupt the hon. gentleman to remind him that his allotted time has now expired.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, first of all let me say that I commend the hon. member for the very moderate tone in which he has dealt with this important subject. I should in all fairness also put on the record the fact that the hon. member for Hull (Mr. Caron) has raised the same point on numerous occasions with members of the government.

I am sure that we require more bilingual members in the R.C.M.P. not only to carry out important duties in the national capital, but elsewhere in Canada. We all agree that an increase in the number of bilingual members will make the R.C.M.P. a better force. At the present time we are supplying as many bilingual members as it is possible.

I am sure that the hon. member who raised this question will be encouraged by the fact that we have increased the amount of advertising in the French newspapers and periodicals in an effort to overcome this difficulty. In conclusion I am also certain that he shares with me the earnest hope that our efforts will be fruitful in this regard.

NATIONAL DEFENCE—COMMITTEE CONSIDERATION OF INTEGRATION MEASURES

Mr. J. M. Forrestall (Halifax): Mr. Speaker, if I may be permitted to preface my very brief remarks before my analysis of this situation, let me assure the Minister of National Defence that it is indeed most urgent, notwithstanding the indication he has had as a result of a survey of men and officers. The indication I have received is quite to the contrary and represents something of the order of 1,733 communications received which oppose this general area of integration that is of concern.

Men in the service, particularly those in Halifax, largely belonging to the navy and to a lesser degree to the air force and army, require among other things a real assurance from the minister and the government that in the event of legislation being passed by this house which brings about integration in its fullest sense they will be free to decide either for or against re-enlistment without fear of financial, pension or other penalty which may

result from re-enlistment on other than a free basis. These men should be free to make this decision because in their minds and in mine such action by this government would be tantamount to nothing less than conscription. The men in the armed forces are really concerned about this. The minister must demonstrate to them that integration will in fact bear out his two premises, first that it will bring about a more efficient armed force, and second that it will save money, which money the minister has indicated could be converted into capital equipment.

The minister must—and again this is a point that has been stressed in hundreds of communications—restore to the services the respect due to the office he holds. He must somehow use every force at his disposal to allay the growing fear and suspicion—and it is a voiced suspicion—that he is bent on pursuing a political course and not a defence one. He must permit those of us in the defence committee to conduct a detailed examination of the progress of full integration and unification to date. The men in the armed services are entitled to such an examination prior to the introduction in this house of legislation leading to integration and unification.

We were denied the opportunity to deal with the effects of integration because of the abandonment of the defence committee hearings some two weeks prior to the adjournment of the house. I might add that this action took place against the expressed wish of the steering committee of the defence committee.

I ask the minister, as I tried to do earlier in the house today, whether he will now advise the members of the house and the people of Canada, particularly those serving in the armed forces, when he will reconvene the defence committee and place before it the question of integration as it has taken place in the armed forces to date. I cannot stress the gravity and urgency that goes hand in hand with this decision.

I suggest, Mr. Speaker, that if the first piece of business to be handed to the defence committee this fall is the legislation dealing with integration, the minister will not be able to stop the flood of mail. I also suggest to him that the opinions expressed in this mail will be strongly reversed. I believe it is quite easy to understand why these men are reluctant to express their real and heartfelt feelings about the lack of communication with regard to integration, their loss of identity, and so on. These are meaningful things to the men in the armed forces. Very few of them—and I admit this—are opposed to integration in some form, to some extent. If the minister had not dealt in such a pragmatic way with such a vital area of concern I think he could have achieved the full support of the services.

• (10:20 p.m.)

Today he certainly does not enjoy the full support of the men serving in the Royal Canadian Navy. One of the ways in which he can achieve this is to start telling them what is taking place, why it is taking place, and to demonstrate to them that his premises are accurate. I do not believe them to be accurate and I believe that the sooner this matter is put before the defence committee for a proper and adequate hearing, the better.

Hon. Paul Hellyer (Minister of National Defence): I am surprised, Mr. Speaker, that the hon. member for Halifax (Mr. Forrestall) has the temerity to stand in his place and to say that the standing committee on defence was denied the opportunity to investigate the results of the integration processes today. They met for weeks and that was precisely what they did consider. At meeting after meeting, the commanders from the various commands expressed what the integration process had meant in terms of their command, the progress that had been made to date, the savings that had been made, and the savings and advantages which were anticipated in the future. My hon. friend should have asked his party to put him on that committee. I doubt that even yet he has read the evidence of all those meetings at which the commanders were present and at which they gave this report for which he is asking.

Mr. Lambert: There is nothing after June 22.

Mr. Hellyer: This was a full and complete report which by and large satisfied the committee that great progress had been made, that the integration plan has been implemented well so far, that it is on schedule, and that there are real advantages, both from the military standpoint and from the standpoint of saving the taxpayers of this country a great deal of money.

In reply to his suggestion or charge that this is a political operation I should remind him that this policy was laid down as government policy, as the policy of the government of the day, in a white paper presented in March, 1964. The reasons for the reorganization were given there. It was stated that the reorganization would commence with the integration at the headquarters and that this

would be the first step toward a single, unified defence for Canada. This white paper was studied by the then special committee on defence and a unanimous report was made to this House of Commons in support of the general policy as outlined at that time.

For some people to make the discovery all of a sudden of what is intended, as if it were news to them, having failed to take into consideration the policy of the government as laid down at that time and as it has been implemented since, is surprising indeed and makes one wonder if as members of parliament they had been as diligent in their responsibility as they should be. I can assure my hon. friend that when the legislation is introduced in the House of Commons later this year and when it is referred to the committee on defence, full opportunity will be given for discussion, that the details of the plan will be outlined, that in the meantime they will have been made available to the members of the armed forces, and that there will be ample opportunity for all hon. members and all interested groups to study it, and to pass judgment in respect of it.

Mr. Forrestall: Are we to wait until Christmas?

Mr. Hellyer: I hope not and I hope the work of the house will be expedited to allow for consideration of this matter.

Mr. Lambert: May I raise a point of personal privilege, Mr. Speaker? The minister stated that the special committee on defence gave unanimous approval to the white paper. That is patently false. This was a majority report, and the minister is not aware of the views of various members of the committee. Therefore he cannot come forth in this house and say this was a unanimous report.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, August 30, 1966

The house met at 2.30 p.m.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Hubert Badanai (Fort William) presented the second report of the standing committee on northern affairs and national resources and moved that the report be concurred in.

Motion agreed to.

ADMINISTRATION OF JUSTICE

GEORGE VICTOR SPENCER—TABLING OF COMMISSION REPORT

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I should like to table copies in English and French of the report of Mr. Justice Dalton Wells concerning George Victor Spencer.

Mr. Speaker: Has the minister leave to table this report?

Some hon. Members: Agreed.

LABOUR RELATIONS

RAILWAY STRIKE—UNION POSITION RESPECTING PROPOSED LEGISLATION

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Prime Minister. Can he say, after his meeting with the leaders of the railway unions this morning, whether those leaders expressed any acceptance of the bill now before the house? What was their reaction to that bill?

Right Hon. L. B. Pearson (Prime Minister): As I indicated yesterday, the processes of mediation were continuing while we were discussing legislation in the house, and it was in connection with those processes that I had the privilege of meeting the union leaders last evening and again this morning to discuss current developments including, of course, the bill which is before the house. But I cannot say anything about those discussions at this moment.

Mr. Starr: Could the Prime Minister clarify the statement he made to the press after the meeting had adjourned, when he said "We have a better understanding of the situation"?

Mr. Pearson: Yes. I meant I had a better understanding of the attitude of the union leaders toward certain matters under discussion.

[*Later:*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the union leaders' reactions in the last few hours to the bill before us to end the strike I would ask the Minister of Labour, did the government consult railway management and union leaders on the terms of this legislation before presenting it to the House of Commons?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the Minister of Labour discussed with leaders of the labour movement certain proposals that might be incorporated in legislation but certainly not the legislation itself. As to the railways management, I cannot speak with any authority on that matter. Possibly the Minister of Transport may have had some discussions with them in this same regard.

Mr. Grafftey: Did management and the union leaders give the government any information on which they based this legislation, which gave the government reasonable hope and assurance that it would be effective?

Mr. Speaker: Order, please. I have some doubts as to whether this line of questioning is in order, particularly in view of the fact that this question refers specifically to legislation which is now before the house. It seems to me this is the type of question which might very well be asked when the house resumes consideration of the legislation.

COMMONWEALTH RELATIONS

ATTENDANCE OF PRIME MINISTER AT COMING CONFERENCE

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Prime Minister on an entirely different subject; I may

have something to say about the other subject later. I should like to ask the right hon. gentleman whether he is still planning to attend the prime ministers' conference and, if so, whether he is giving consideration to supporting mandatory sanctions against Rhodesia under the United Nations charter.

Right Hon. L. B. Pearson (Prime Minister): Whether I am able to attend this conference will depend on developments in the house and in the country in connection with the railway situation. I would regret very much, of course, if I were not able to go. In the circumstances I do not think I should say anything about what I might do if I were able to go, but before the conference opens there would be, I hope, an opportunity on orders of the day or on motions for whoever represents Canada to make a short statement.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I realize that the Prime Minister is most anxious to attend, and it is very desirable that he should be able to attend the prime ministers' conference. I want to say to the right hon. gentleman that anything we can do to make it possible for him to be there for a couple of days will be done; because, I suggest, his presence there is very necessary at a time when the future of the commonwealth might well be in jeopardy unless, in the collective wisdom of the prime ministers, a consensus is arrived at.

Mr. Pearson: I can only say I appreciate very much the attitude taken by the right hon. gentleman. I still hope it will be possible for me to attend this conference, even if for only a couple of days. His attitude, expressed this afternoon, will make this easier.

Some hon. Members: Hear, hear.

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—RECENT DISCUSSIONS WITH U.S. PRESIDENT

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

The right hon. Prime Minister had a recent meeting with the President of the United States in New Brunswick. Did any agreement come out of that meeting or those talks, with regard to Viet Nam or American involvement in Viet Nam or was there any discussion about inflation, which seems to be taking a permanent hold?

[Mr. Lewis.]

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there was no occasion to reach any particular understanding at these meetings in regard to our position on Viet Nam and the United States position, because our position is well known to the United States and I think we understand their position. We did discuss many other subjects within the limited time available, some two and one-half hours, and one of these was inflationary dangers and pressures in both countries; because this is more than a national problem.

NATURAL GAS

ALTERNATIVE PROPOSALS FOR ACCESS TO U.S. MARKETS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys, who is the minister designate of energy and national resources. Has the government any alternative proposals to gain access to the United States markets that are denied to Canadian gas producers as a result of the government's decision not to allow the proposed southern route pipe line to be built? Further, has the government any proposals to compensate for the additional cost of delivering gas to central Canada?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, it will not be up to the government but up to Trans-Canada to come forward with alternative proposals.

Mr. Eldon M. Woolliams (Bow River): As a supplementary question, has the minister received from the premier of Alberta an objection to the decision of the cabinet to reject the decision of the National Energy Board on this matter?

Mr. Pepin: Not personally, Mr. Speaker.

FINANCE

REPORTED OFFER OF LOW COST LOAN FOR B.C. BRIDGE CONSTRUCTION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the Minister of Finance and ask whether he can confirm, or otherwise, that an offer has been made of a long term loan at low interest rates for the construction of an additional bridge over Burrard Inlet in Vancouver. If so, has

this information been conveyed to the government of British Columbia, to the city of Vancouver and the adjoining municipalities?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, this is the first time this matter has been brought to my attention. I have received no such offer of money either at low rates of interest or high rates of interest.

Mr. Winch: As a supplementary question, has this information been conveyed to the hon. member for Coast-Capilano (Mr. Davis) who made such a statement recently in B.C.?

THE CANADIAN ECONOMY

INQUIRY AS TO STUDY BY ECONOMIC COUNCIL

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the fact that it is now approximately 16 months since the Prime Minister referred the question of the high cost of living and prices to the economic council for a special study, and in view of his repeated assurances that he would try to find out the reason for the long delay, can he tell us whether the study is completed, and will we ever see it?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad to make inquiries into that matter so that possibly we may have the views of the economic council on it before discussion takes place in the house. I have had discussions with the president of the council on this matter within the last fortnight.

CONSIDERATION AT MEETING OF FINANCE MINISTERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is not exactly a supplementary question but it is in connection with the problem of inflation. Yesterday I asked the Prime Minister to say whether the government, in view of the very serious inflationary situation which prevails, would give consideration to calling together the provinces with a view to ascertaining whether agreement could be arrived at for co-operative legislation, to which the Prime Minister replied:

> Mr. Speaker, on September 14 there is to be a meeting between the federal and provincial ministers of finance. This very important matter is on the agenda and will be discussed with the provincial ministers of finance at that time.

Has the Prime Minister's attention been directed to an article in the *Globe and Mail* of today which indicates that none of the provincial treasurers spoken to had received an invitation from Ottawa nor given any serious thought to this question? Also the provincial treasurer of Ontario, who expressed surprise, said "That is quite a statement". Would the Prime Minister say what is the situation here, when did the invitation go out, and when were the various provincial treasurers made aware of the fact that the agenda had on it this subject?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I should ask the Minister of Finance to deal with this matter. He may have the communication before him.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, some confusion seems to have arisen out of the exchange between the Leader of the Opposition and the Prime Minister yesterday. It is my understanding that what the Prime Minister was answering was a question in a very general form. That question was asked by the Leader of the Opposition, and the Prime Minister was indicating that on the agenda of the federal-provincial conference tax structure committee meeting on September 14 we will be discussing the current economic situation including the problem of inflation.

I should like to make it quite clear that I do not propose to place before the provinces any proposals for the application of wage and price controls.

Mr. Diefenbaker: There was no question of that raised in any question I asked, but the Prime Minister said "This very important matter is on the agenda". I ask the minister, now that he is speaking and as he is the conscience of the Prime Minister in replying to this matter, whether there is any such question dealing with co-operative legislation on the agenda for the 14th.

Mr. Sharp: Yes, Mr. Speaker. I think I made that quite plain in what I have already said. The Leader of the Opposition asked a very long and very involved question. I am not surprised that the Prime Minister in answering it might have seemed to answer one of the more obscure aspects of that question. However, let me read what I said yesterday in the letters which I addressed to some of the premiers and some of the ministers of finance, because some of the premiers also will be attending the conference on

September 14. This is from the letter which I wrote to Premier Roblin yesterday.

Mr. Diefenbaker: When; was it in the afternoon or in the morning?

Mr. Sharp: This letter had been sent out in the morning. I was not able to read the mind of the Leader of the Opposition, and if I had tried to I would not have been very successful. This was done on our own initiative. May I read the sentences:

> The current economic situation lends additional urgency to federal-provincial consultation on fiscal and economic questions. Action may be required to deal with the current economic situation of a nature that would concern provincial governments as well as the federal government. Such action might well have some bearing on the fiscal arrangements we will be discussing.
>
> I suggest therefore that we consider this question at the start of our meeting.

Accordingly, the first item on the suggested agenda appended is the economic situation and its relationship to federal-provincial fiscal arrangements.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask a supplementary question to clear up some of the more obscure aspects of this question of the minister. In view of the statement made by the hon. member for Coast-Capilano (Mr. Davis) to the western Liberal association in Saskatoon that the federal government is leaving resource development out in the cold and his demand that it meet this challenge more aggressively, would the Minister of Finance inform the house whether the question of resource development will be considered at this conference in relation to fiscal policy?

Mr. Sharp: Yes, it will.

AGRICULTURE

SASKATCHEWAN—REQUEST FOR SURVEY OF DROUGHT AREA

On the orders of the day:

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, my question is for the Minister of Agriculture. So much rumour has been spread around about the abundance of the crop in western Canada that I am wondering whether the drought stricken area northwest of Meadow Lake from Dorintosh west through Peerless to Goodsoil and extending into Alberta has been drawn to his attention. This is an emergency situation and I should hope he would be making arrangements to send a survey team into this area.

[Mr. Sharp.]

Hon. J. J. Greene (Minister of Agriculture): I have not had that matter drawn to my attention by the provincial government as yet, Mr. Speaker, but I will be glad to take notice of the hon. member's representations and look into the matter.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I have a supplementary question. Has anything been done about a similar situation which occurred in the area last year?

Mr. Greene: No application has been received to date from the provincial government for aid in this regard.

[*Translation*]

NATIONAL EMPLOYMENT SERVICE

QUEBEC—INQUIRY AS TO EVALUATION PROGRAM

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, my question is for the hon. Minister of Manpower.

Following the brief that the National Unemployment Insurance Commission Association forwarded to the minister, is the latter in a position to inform the house whether he intends to take immediate action to correct the injustices which have found their way into the National Employment Service employee assessment program.

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, out of 626 employees at the National Employment Service in the province of Quebec, 178 were not classified. Our intention is to interview each of the 178 employees and to try and see how we can deal with each case, if possible.

[*English*]

SHIPPING

CHURCHILL—REQUEST FOR GREATER USE IN GRAIN SHIPMENTS

On the orders of the day:

Mr. Reynold Rapp (Humbolt-Melfort-Tisdale): Mr. Speaker, I should like to direct a question to the Minister of Finance in his capacity as the minister under whose jurisdiction the Canadian Wheat Board falls. In view of the fact that Russia already has some ships at the port of Churchill to pick up wheat they have purchased from Canada, would the minister consider keeping this sea route open by the use of icebreakers or even submarines so they could pick up the wheat

they have purchased even during winter months?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, although as Minister of Finance I find myself in the extraordinary position of speaking for the Canadian Wheat Board, I really do not have any responsibility for keeping Hudson Bay open. Perhaps this question should be directed to another minister.

Mr. Rapp: I have a supplementary question which I should perhaps direct to the Minister of Transport. Will he give consideration to this matter so this sea route may be kept open, in view of the fact that the Russians have indicated they will make full use of this port even during the winter?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I could be frivolous and say that I will use every submarine the Department of Transport has for this purpose, but I do not think that would impress the house. Let me say seriously to the hon. member that the Department of Transport, the harbours board and the Department of Public Works are giving every attention to doing everything possible in order to use the port of Churchill to a maximum. This will be all the more necessary because of the unhappy interruption in service being experienced at the moment.

UNEMPLOYMENT INSURANCE

QUEBEC—REQUEST FOR DELAY IN CLOSING OF OFFICES

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of Labour. In view of the imminent closing of five of the six unemployment insurance offices located in the lower St. Lawrence region, will the minister consider delaying the implementation of that decision until representations from those affected can be presented to him?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, as I have said before, decision in this matter is the responsibility of the unemployment insurance commission itself. However, I will pass on the hon. member's suggestion to that commission. I am sure he will appreciate that many weeks' notice was given by the commission of its intention to act, not only in his riding but in many other ridings in Canada.

Mr. Keays: Mr. Speaker, I have a supplementary question. Does the minister wish to indicate that notice was given in the areas in which these offices are to be closed?

Mr. Nicholson: I cannot speak specifically as to the notice in the hon. member's riding, but I do know that somewhere between 50 and 100 notices in this regard have been sent out in the course of the last three or four months.

Mr. Keays: A further supplementary question, Mr. Speaker. I would ask the minister to look into this matter further, because it is not one riding that is concerned but four ridings in the lower St. Lawrence, and in none of them has notice been given.

Mr. Nicholson: Mr. Speaker, I have assured the hon. member that I will draw his observations to the attention of the commission.

CANADIAN PACIFIC RAILWAY

REPORTED STATEMENT RESPECTING PENSIO RIGHTS OF STRIKERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the statement made by Mr. Ian Sinclair, president of the Canadian Pacific Railway, that any striking railway workers who fail to go back to work for the Canadian Pacific Railways may lose their pension rights, will he consider drawing to Mr. Sinclair's attention the law on this subject as set out in the Industrial Relations and Disputes Investigation Act?

Hon. J. R. Nicholson (Minister of Labour): I will be pleased to do so, Mr. Speaker.

OLD AGE SECURITY

INQUIRY AS TO AMOUNT IN FUND

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I should like to ask whether there has been any diminution in the amount in the federal old age security fund since July 15, contrary to information previously acquired from his department.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I think this is a matter for the Minister of Finance.

Mr. Winkler: Then could I ask the Minister of Finance the same question?

Inquiries of the Ministry

Mr. Speaker: Order, please. I hesitate to suggest that any question at this time should be put on the order paper, because of the very special character of the sittings, but it appears to me that it is statistical information for which the hon. member for Grey-Bruce is now asking and I wonder whether the question should be allowed. I should not think so.

ADMINISTRATION OF JUSTICE

SPENCE ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the right hon. Prime Minister whether he intends to table at the earliest possible moment a copy of the report by Commissioner Spence, which I understand he now has.

Right Hon. L. B. Pearson (Prime Minister): My hon. friend is misinformed, Mr. Speaker. I have not that report.

Mr. Fulton: Has the Prime Minister any information as to when it may be available?

Mr. Pearson: I have no definite information, Mr. Speaker. The Privy Council office have been making inquiries from time to time.

NATIONAL DEFENCE

CENSORING OF EVIDENCE OF OFFICERS—RESTRICTIONS ON USE OF FRENCH

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Defence which I think is of absolute urgency and concerns a matter that requires clarification. Would the minister inform this house whether in respect of officers of the armed services giving evidence before the defence committee of the House of Commons it is correct that their presentations are received by him and censored before they are allowed to be made to the committee of the House of Commons?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker. I do not believe in censorship any more than my hon. friend does. He was present in the committee and knows that there was no restriction whatever in respect of the questions asked and the answers given.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): May I put a supplementary question to the Minister of National Defence? I should like to ask the minister whether he has noted the regulation prohibiting members of the armed forces to speak French in the air force shops?

What are the department's intentions concerning this regulation?

[*English*]

Mr. Hellyer: To the best of my knowledge there is no such regulation but I can assure my hon. friend that if there is, this is one of the things that will be changed.

[*Translation*]

Mr. Grégoire: Another supplementary question, Mr. Speaker.

In view of the fact that such a regulation has been posted at the Bagotville airport, could not the minister inquire whether such a regulation exists within the Canadian army?

[*English*]

Mr. Hellyer: Yes, but I understand that was in the air force, Mr. Speaker.

[*Translation*]

Mr. Grégoire: This applies to the army and the navy.

[*English*]

Mr. Winch: Mr. Speaker, I desired to ask a supplementary question before the previous question was asked. I am afraid I did not get an answer to my question. I should like to ask the Minister of National Defence, in view of what he just said, whether the information given by a now retired vice admiral that his presentation to the defence committee, made in camera, was censored and certain parts cut out before he made that presentation, is correct. Can we have a direct answer as to whether that was done?

Mr. Hellyer: Mr. Speaker, I will be glad to answer all the questions in respect of this matter when the committee meets.

Some hon. Members: Oh, oh.

Mr. Churchill: Answer it now.

Mr. Hellyer: At that time perhaps my hon. friend would like to call the admiral and ask him any additional questions he might care to put. If he will check the evidence that was given the day the maritime commander appeared before the committee, he will find that in his testimony he did give figures with respect to manpower and recruiting, and there was no limitation whatsoever in respect of the questions or the answers.

Mr. Winch: A supplementary question, please, Mr. Speaker. This is not an answer to my question. I asked, was anything cut out prior to the presentation? Can we now have an answer yes or no from the Minister of National Defence?

Some hon. Members: Hear, hear.

Mr. Churchill: The answer is yes.

Mr. Hellyer: The admiral deleted from his original text two or three references to friendly nations which it was felt would have had rather serious consequences to Canadian external affairs had they been made to the committee.

Hon. Marcel Lambert (Edmonton West): Were there any portions of the admirable brief—

Some hon. Members: Oh, oh.

Mr. Lambert: —of the admiral's brief, in explanation or exculpation of that slip of the tongue, it was an admirable brief; but in the admirable brief—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I understand perfectly.

Mr. Lambert: Were there any portions of the admiral's brief with reference to personnel matters and morale which the minister indicated should be within the purview only of the chief of personnel?

Mr. Hellyer: I did not make any such indication. I think it was an admirable presentation, and my hon. friend should re-read it.

[*Translation*]

Mr. Réal Caouette (Villeneuve): My question follows that put to the Minister of National Defence a minute ago by the hon. member for Lapointe concerning the use of French at Bagotville.

The minister replied that there is no regulation prohibiting the use of the French language in the army, but he said a minute ago that in the air force it was probably possible that the use of French could be prohibited.

I should like to inquire of the minister whether he is inclined to take measures so that in Quebec at least, the use of French be respected and recognized even in the Royal Canadian Air Force.

[*English*]

Mr. Hellyer: That is what we are attempting to accomplish. It is difficult in respect of this particular question, which I should like to take as notice; but every effort is being made to make those members of the armed forces who come from the province of Quebec more at home in the armed forces and to permit them to use their own language on a greater variety of occasions.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to ask the minister of defence a very simple question. Did he read the copyright story by Admiral Landymore which appeared in the Toronto *Star* on July 23 and which reads as follows:

> The section on personnel—wherein I described the actual state of affairs in my command—was thoroughly censored and rewritten—
>
> The excuse given me for the censorship was that the minister wanted to take a positive approach to the hearings and that mine was too negative.

Is this true or is it not?

Mr. Hellyer: So far as my giving instructions is concerned, Mr. Speaker, it is not.

An hon. Member: Who is in charge of the department?

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I wish to ask the Minister of National Defence whether he is in charge and the man of authority in his department, or does that authority rest with someone else?

Mr. Hellyer: I have to accept the responsibility for all the actions that were taken.

Mr. Speaker: Order, please. This question is not in order.

AGRICULTURE

CREAM—INQUIRY AS TO DEFICIENCY PAYMENTS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Can he tell us what delay is expected before the deficiency payments will be made to cream shippers?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have been assured that all the cheques for the first three months to plants that have duly reported under the new program—some of the plants may not have reported—will be out on September 1.

Legislation Respecting Railway Matters

GRAIN

WHEAT—REQUEST FOR HIGHER INITIAL PAYMENT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the current market situation, which appears to guarantee sales for all the grain that can be handled this year at 40 or 50 cents over the initial price, is the Canadian Wheat Board considering raising the initial price to producers on delivery to country elevators?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, such an increase can only be made by the governor in council under the Canadian Wheat Board Act, and various representations have been received from various quarters on this subject. The matter is under consideration.

Mr. Raymond Langlois (Mégantic): On a supplementary question I would like to ask the Minister of Finance whether he could give us the approximate date on which we can expect a report from the governor in council. Can that information be included in the return to the question asked by the hon. member from Medicine Hat?

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

The house resumed, from Monday, August 29, consideration of the motion of Mr. Pearson for the second reading of Bill No. C-230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, lest anyone be misled by various references made by the C.B.C. to the effect that I would be speaking today and indicating that I had not spoken yet, I would draw the attention of the news department to yesterday's *Hansard*.

Today I intend to review just a few matters. I do not have anyone like Mr. Lee to write my speeches. We are faced with a very serious situation, a strike which the government of Canada knew, or should have known for weeks, was going to take place. They treated the matter in a casual and irresponsible manner. At no time was there any apparent realization of the tremendously adverse consequences which would follow. The government took the attitude that with a strike under way it would be an easier way of securing legislation through parliament than meeting the certainty of the strike in advance. We in parliament have a tremendous responsibility at this time. We must try to do something to meet the catastrophic possibilities that have followed the actions of a government which in this, as in so many other matters, refuses and has refused to face the facts.

We want the strike to end. In our opinion the two-faced attitude which the government has shown in this legislation will not assure that objective. When the vote has taken place and parliament decides that this legislation shall be the law of the land, all of us will join in calling upon all Canadians to respect and follow the law. To do otherwise would be to undermine the power and prestige of parliament. Parliament's prestige depends upon respect. No parliament worthy of its name will rubberstamp a bill which in its opinion will not be effective.

I will not go into the 6 per cent which is offered under this legislation for this year. However, I will say that the government, by ineptitude and failure to act, has contributed to the breathtaking growth of strikes. A few months ago it settled two strikes, or a potential one and an actual strike, by a carrot in the form of a 30 per cent increase under what I choose to call the Pearson formula. Under this legislation the government is substituting the big stick for the carrot. This kind of attitude on the part of the government cannot but cause differences within this nation.

We are asked to join the government in legislation that will provide further instability, uncertainty and division. One only had to see the government yesterday in the course of the debate to realize that it is in a state of panic, that it is frightened and fearful. It now places the problem before parliament and says: You deal with this in the way in which we want to deal with it. Within the last fortnight I offered on behalf of Her Majesty's Loyal Opposition our fullest cooperation toward parliament being called at once before the strike vote became effective. There was no reaction to that.

Mr. Martin (Essex East): Such action would have the purpose of preventing the men from exercising their constitutional rights.

Mr. Starr: What are you doing now?

Mr. Diefenbaker: We have now heard the Secretary of State for External Affairs (Mr. Martin).

Mr. Martin (Essex East): May I say that of course the right to strike is part of the Bill of Rights of this country.

• (3:20 p.m.)

Mr. Diefenbaker: The Secretary of State for External Affairs talks of civil rights. I think he has heard the voice of labour from his constituency. I should like to be able to record some of the things that he has heard, even in that area which often hears nothing but what the hon. gentleman has achieved or has in mind. What he has said is very interesting. He was so anxious that all the processes of conciliation should take place. They have. There was ample time between the time the last procedure was completed and the day of the strike for parliament to have been called, but this government would not move. They wanted a strike. They would then be able to go forth in shining armour with a new courage recently assumed and bring about action.

I listened to the Prime Minister (Mr. Pearson), as he spoke in his mellifluous tones to the people of the nation, blaming labour and everybody else but the government. The blame finally rests on a government that has failed to take any action to counter the most inflationary trend in history. The Prime Minister postpones decisions and refuses to act. Up and up and up go prices.

Surely the Prime Minister and the government in providing the 30 per cent formula realized that it would add to the fires of inflation. The Prime Minister said last evening that he had nothing to do with that. He looked in anger in my direction suggesting that I called it the Pearson formula. Does he deny it was the Pearson formula? I will describe that answer as being as convincing as if Einstein had denied that he was the father of Einstein's doctrine of relativity. It has been associated with him. Clearly and definitely the government created this situation. They played around and pussyfooted.

The Prime Minister from time to time dispensed daily bromides. The government was rudderless for days while the threat hung over Canada—that is the "diplomatic" approach. Problems do not solve themselves or disappear by neglect. The government then comes to parliament and produces a bill.

When I came into the house at the beginning of yesterday's session I believed that there would be something effective in this bill which would assure that, if passed by parliament, it would represent a solution to the problem. But what do we find, Mr. Speaker? The government has produced legislation that by no stretch of the imagination, even the imagination of the Secretary of State for External Affairs, will provide a fair deal in what is being asked from parliament by the government while the same time recognizing the interests of this nation.

We are in a crisis. That does not mean that members of parliament simply have to bow down before the ukase of a government that brought about in large measure the situation that has developed. Indeed, the whole situation was well summed up in an editorial in the Montreal *Gazette* of August 19 which stated:

> Canada today has many crises. But the greatest crisis of all is the feeling across the country that the government of Canada is in a curious suspense. An absence rather than a presence, a source of inertia rather than a source of energy, a vagueness rather than a guidance.

That sums up the situation very well. That is the feeling of Canadians. In every part of the nation there has been failure to take action dealing with inflation, failure to place the facts before parliament.

Yesterday the Prime Minister answered me with directness. Today he had to have his words interpreted by the Minister of Finance (Mr. Sharp) so as to tell the House of Commons what the Prime Minister meant when he said what he said. The government does not know where it is going. His answer yesterday was clear and unequivocal, and no amount of playing with words can explain why the Prime Minister of Canada should say that actions were being taken along the line I asked about and then today one of his ministers vicariously gives the answer that they are not.

Is it any wonder, Mr. Speaker, that when the Secretary of State (Miss LaMarsh) was abroad visiting Australia she made a certain statement in an interview? Far-off thinking sometimes has clarity. What she said was reported in the press under the heading "Miss LaMarsh Fears Canada May Copy U.K. Economic Woes". She went on to say when speaking at a National Press Club luncheon, that recent measures to slow down the economy—she is talking of Canada—may be too little and have been applied at the wrong time and that stronger measures are necessary.

Mr. Woolliams: And where are they?

Miss LaMarsh: Mr. Speaker, I am sure that the right hon. gentleman would not want to leave on the record anything which was incorrect. I think he should know that that story was at once denied from Australia. It did not appear there, although my speech was made in front of all the members of the press gallery in that country. It was denied to the only representative of the press of Canada who got in touch with me in Australia, and I understand a retraction appeared the next day.

Mr. Diefenbaker: The hon. lady says that the story was denied and the retraction appeared the next day. I would ask that she table the retraction.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I should very much like to see it, because that retraction certainly did not receive the prominence that her statement, which was published not only in Canada but in the United Kingdom, did.

Miss LaMarsh: They never do.

Mr. Diefenbaker: There has been failure to take action and failure to realize that action was necessary. There has been failure to act, lethargy, uncertainty, division in the cabinet—and I could deal with that at some length.

Mr. Pearson: Well, you are an expert on it.

Mr. Diefenbaker: Some members over there even left, and I understand there are others who feel like doing so.

Mr. Robichaud: That is not so.

Mr. Diefenbaker: I will not mention the Minister of Fisheries (Mr. Robichaud) because I understand he may be going to a higher place. The very smile on his face indicates that he is shortly to be elevated to that place from whose bourn no one has yet returned.

Returning once more to the facts, I point out that all through the weeks from July 15 on the government was warned that there would be a strike. On July 15 The *Canadian Transportation* magazine had this to say:

• (3:30 p.m.)

Parliament soon to adjourn—

It will take at least four or five days to bring the wandering M.P.'s back from their summer cottages and hideouts, and perhaps another two or three days to pass the required legislation. That means the strike will last from five days to a week.

It could conceivably last longer, of course, if the non-op unions decide to defy the legislation. The government doesn't think they will. The consensus of the Pearson cabinet is that the week or so on the picket lines will take most of the steam out of the militants among the railway employees, and that they will be more than ready to heed the back-to-work legislation.

We got no action, only postponement. Then the government produced the bill that was placed before us yesterday. I have not heard of anyone affected by it who gives it even tacit approval. We want the strike to end. We want the government to take effective action that will be fair and equitable. Indeed, the matter was summed up in an editorial in the Toronto *Daily Star* of August 27 which reads as follows:

The strike which now grips the nation's railways was first invited by the Pearson government, which then acted too late to prevent it.

Ottawa invited the railway crisis in June when it approved wage and benefit increases of more than 30 per cent to settle the Quebec longshoremen's strike and the seaway workers' claims.

It took until yesterday for the Prime Minister to deny this. The editorial continues:

If the railwaymen defied Parliament on such a settlement, they would forfeit their claim to public sympathy.

The settlement being one that is fair and just.

We must trust that, if parliament deals justly with them, they will react sensibly.

I intend to say something about that, something that should have been said by the Prime Minister himself. When he spoke last evening to the Canadian people he should have said something on the subject that above all else is of prime importance at this time.

My life was at the bar. The rule of law must be maintained or our democracy will cease. At this time more than any other the Prime Minister should have told the people of Canada when he spoke yesterday that a breakdown of law and order is taking place. The philosophy is being supported that laws deserving to be broken can be broken, that laws with which individuals disagree can be evaded by direct or indirect action. If we ever accept that proposition, our democracy is gone.

There is a growing problem of disrespect for the law. When parliament has a bill before it such as this, it must be scrupulously careful that the legislation is not of so coercive a nature as to arouse antagonism and worse. The law must have the support of the people as a whole. That is so in regard to matters affecting each of us personally.

On the flag question I took a strong position. Parliament acted, and I have accepted the decision of parliament. Sir, if we come to a situation, by reason of the conduct of a government that is irresponsible in its attitude, where disobedience of the law is brought about, we will have the end of civilized society.

I have said before that those in the ranks of labour, and I have acted for them, are law-abiding. But some in those ranks are aroused today by the cavalier methods adopted by this government. I do not like to say this but the facts must be frankly faced. This government today lacks the moral power to lead the nation.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: They have failed in this and in so many matters to meet their responsibilities. There are individual ministers who do not come within that category. But in the solidarity or lack of solidarity of the cabinet, there has been a failure of leadership and panic at the last moment.

I say to the government that in every part of the world the psychology of lawlessness and disregard of the law is expanding. There are some today who believe they can flout the law for their own ends when the occasion demands. I want parliament, and I implore the government of the day even now, to bring about amendments to this bill as it stands so that there will not be aroused within this nation a feeling of disrespect for parliament and for the legislation passed by parliament.

It is a serious thing, perhaps the most serious matter that democracies have to face, that in so many countries many are coming to believe that there is no great wrong in ignoring or flouting the law so long as it can be justified on the basis of a personal conviction that the law is wrong. Sir, there is a way to change a law that is believed to be wrong and bad and that is not by breaking it but by changing the law at its source.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I was disappointed yesterday in the Prime Minister's speech because he did not then, or when addressing the nation, place before the people of Canada the position that whatever the situation may be, a law will not be passed by parliament unless that law meets those principles of equity and justice that ought to emanate from parliament, the fountain of justice.

• (3:40 p.m.)

The government asks for co-operation. I offered that co-operation and it was spurned, not receiving even the acknowledgement of passing approval. The government went ahead on its own. It got itself into a mess. It got the Canadian economy into a serious impasse. Now it comes before parliament and says: "Whatever we present to you you have to accept. This is what we want done regardless of the equity". That is not the spirit in which problems like this are solved. I say this because I have been greatly concerned over suggestions by various individuals, including one within parliament speaking outside parliament, that the flouting of a law which is not agreeable is permissible and even admirable.

I hope this parliament will act. I disagree with the manner in which the government has acted. This legislation should be redrawn to give justice and equity. In its present form it cannot but result in further divisions within this nation. Sir, I love this institution. Let us not do anything here which will give the slightest encouragement to those who preach the doctrine of civil disobedience. Let us carefully avoid adding fuel to the fires of lawlessness and contempt for the law which are smouldering, not only in our own country, but in other democracies. Even yet, take back this legislation in its present form.

I say to those sitting opposite: You must realize now that it is not workable in the manner in which you have drafted it. Let us work together to secure a fair and equitable law. I am sorry to say I cannot designate this bill as belonging in that category. Let us work together to secure a fair and equitable challenge the Canadian people, those directly and indirectly affected, to support it. We in Her Majesty's Loyal Opposition do not intend to make any further speeches on the subject until we get into committee in the event that the house gives this legislation second reading. Disagreeing with the bill, condemning the government which has brought forth this monstrosity, we still say that, if it becomes law, it requires the support of us all because it will then be a decision of parliament, however much we disagree with it.

We tried to co-operate, and for two weeks our attempts were spurned. We are prepared to do so now if the government, in a spirit of co-operation, is willing to withdraw this legislation in its present form. As it now stands it resembles one of the laws of the

Medes and Persians. We must bring about a law which will be effective.

I fear that this bill, if passed, will lead to divisions within this nation and help to undermine respect for parliament, something which must be maintained. I know this is asking a lot, but surely the government now appreciates the fact that its indolence and uncertainty, its refusal to face facts when they should have been faced, have brought this nation to a serious position. I say also to the government of Canada: If you are not prepared to co-operate in bringing about a law which will be effective and fair, do not try to condemn those of us who want to see a law on the statute books which will be effective for taking a strong stand when presented with a bill which in our opinion can only cause dissension, strife and separation within the various areas of our nation and spell trouble, difficulty and uncertainty in the days ahead.

Look over the legislation. I have already made some suggestions. We have not yet been told whether the government might give consideration to some of them. I do not intend to repeat them; I referred to them last evening. Provide some fringe benefits. Why have members opposite forgotten the Freedman report? Is it in a pigeonhole along with the other reports which have died a natural death since this government came to office?

Give these people, men and women who work in this nation, some of these fringe benefits. Give them a degree of security of tenure, which they seek, something which goes far beyond the amount of the actual payment made for work done. There is nothing of this in the bill before the house. There is simply a declaration that this is to be the law, 6 per cent for 1966, with nothing on the Freedman recommendations whatsoever. Add some of these things to the bill. Bring about a feeling, as between labour and the nation, that we are interested in their welfare. You will find there is a favourable reaction. I know this.

I have talked to the man who works and to his wife who runs the home—and, remember, there are no earnings when a strike is on. They speak of these things, the little things, the amenities. They ask for changes in regard to those things which make it difficult for them to be as comfortable as otherwise they would be. Make those changes. Incorporate them. Do not let us have this picayune attitude regarding health benefits, holidays and sickness leave. These are amenities, these are social security measures which the workers should have. Give them some of these things. Show that we think and feel for them. If we do this we shall bring about a new spirit within this nation.

• (3:50 p.m.)

I fear for my country with legislation like this. We in Her Majesty's Loyal Opposition want to end the strike. We will do anything to assist if the government on its part will show some consideration for these things that are necessary. I know there are some who say, "Why, they are getting so much now." That has always been the story, but taxes today eat up a great portion. The percentage of taxes today over all the areas of government is, I think, approximately 50 per cent.

The cost of living mounts every day and the government sits as a spectator taking the view that something is going to turn up and it is going to be all right. This government will bear a tremendous responsibility before history if it does not now begin to realize that what is being presented here is a bill of such harshness, without those amenities that could easily be granted, that it arouses antagonism. The amenities I mentioned a moment ago are the fringe benefits.

Even yet I hope the government will act. We cannot as an opposition, having implored the government to do something to end the strike—we demanded it should be stopped even before it began—we cannot, under those circumstances, be placed in a position where, without reconsideration by the government, we can give the legislation that support which we would want to give.

I therefore move, seconded by the hon. member for Ontario (Mr. Starr):

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

This house declines to proceed with the second reading of a bill, the provisions of which, in their wide departure from the terms of the report of Mr. Justice Munroe, Chairman of the Conciliation Board, and in their failure to give any assurance of an equitable solution of the problems of fringe benefits or any directions as to the implementation of the Freedman report, do not provide an adequate solution of the current impasse.

Mr. MacEachen: Mr. Speaker, I would like to raise a point of order with respect to the regularity of the amendment which has been moved by the right hon. Leader of the Opposition.

The principle of this bill is to provide for the resumption of the operations of the railways in Canada. The main purpose of the bill

is given in the title, and it has been demonstrated, both in the speech by the Prime Minister and in the speech by the Leader of the Opposition, that this is the principle of the bill. It is a well-established rule of the house that any amendment on second reading must declare a principle that is opposed to the principle of the bill under discussion. In other words, the amendment must assert a principle that is opposite to the principle in the bill.

Mr. Fulton: What authority are you relying on?

Mr. MacEachen: If the hon. member wishes me to refer to citations, among others there is citation 382 in Beauchesne:

> 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—

There are other citations which make the proposition even clearer that an amendment on second reading, in order to be declared regular, must directly oppose the principle provided for in the bill. The main principle here is to establish the resumption of railway operations, and I suggest on that ground that the amendment moved by the right hon. gentleman does not meet the provisions of the rules of the house.

I would raise a further objection to the amendment, namely, that there is also a procedural necessity involved in that in moving an amendment on second reading it is not possible to anticipate amendments that may be moved in the committee of the whole. I refer to citation 389 in Beauchesne:

> A motion opposing the second reading of a bill must not anticipate amendments which may be moved in committee. Alterations which may be affected by amending the clauses of the bill cannot be moved on the second reading. On the 8th March, 1934, when the motion for the second reading of an act to incorporate the Bank of Canada was under consideration, a member moved in amendment "that all the words after 'that' be struck out and the following substituted therefor—

Farther on the citation reads:

> The Speaker ruled the proposed amendment out of order because clauses of the bill provided that the stock in the bank be allotted to the public and that the directors be appointed by the shareholders. The member could serve his purpose by moving amendments to those clauses in committee on the bill.

I suggest there is one term selected from the report of Mr. Justice Munroe, namely, the wage term, which is included in the clauses of the bill, and it is open to the Leader of the Opposition to vary that particular clause by amendment in committee. It is open to him to achieve the same purpose in committee, but in this amendment he is really asserting that there is a wide departure from the terms of the report of Mr. Justice Munroe. I contest that as an inaccurate statement. However, it is not relevant to the argument on procedure. If there is a wide departure from the terms of the report then it is open to the right hon. gentleman to close the gap or remove the departure by moving an amendment in committee. So I suggest on that ground that the amendment as put forward by the Leader of the Opposition is deficient.

• (4:00 p.m.)

I believe that the same argument could be raised with respect to other items in the amendment, but I simply assert that the amendment does not declare any principle contrary to the main principle of the bill, which is to resume railway operations. That is the first point. If that point is not persuasive enough, I submit that any of the terms posed in the amendment can be effected by possible amendments at the committee stage of the bill. I suggest that for this reason also the amendment moved by the right hon. gentleman is deficient.

Mr. Fulton: Mr. Speaker, in respect of the argument advanced by the Minister of National Health and Welfare I should like to refer first to the first citation quoted, namely, 382. He appeared to take the position that the only amendment which could be moved was an amendment asserting a principle which is diametrically opposite to the principle in the bill. In so far as he has based his position on citation 382 he has completely misconstrued that citation, because citation 382 at page 277 of Beauchesne, fourth edition, starts with the words "it is also competent to a member." Nothing could make it clearer that this is but one of the alternatives available to members of this house in moving amendments and not, as the minister suggested, the only kind of amendment that can be moved.

In support of the propriety of the amendment moved by the Leader of the Opposition I should like to refer Your Honour to what I am sure you will regard as a very convincing, if not indeed binding authority, namely, an amendment moved by the present Prime Minister when leader of the opposition, on November 30, 1960, as found on page 350 of *Hansard* of that date. At that time the house

had before it consideration of railway legislation introduced by the government of that day dealing with an industrial dispute. This was legislation to postpone that dispute and continue the operation of the railway.

At the end of his speech the then leader of the opposition, now Prime Minister, moved an amendment. This was during the debate on second reading in which he put forward the position and the attitude of the then Liberal opposition. The amendment is as follows:

> This house declines to proceed with the second reading of a bill the provisions of which establish a compulsory and discriminatory wage freeze for railway employees contrary to the recommendation for a wage increase made by a board of conciliation appointed under the Industrial Relations and Disputes Investigation Act.

That was the sum total of the amendment. Later in the discussion concerning the admissibility of the amendment it was pointed out that it did not contain the operative words with which any such amendment must be introduced, namely, "that all the words of the motion after 'that' be deleted and the following substituted therefor". Mr. Speaker Michener, the Speaker of that day, ruled that this was a technical omission and in effect, with the consent of the house, added those preliminary words and then allowed the motion to stand, to be debated, and to be voted on.

Your Honour will appreciate that the amendment which has first been submitted to the house by the Leader of the Opposition is, in so far as the technicalities or legalities of it are concerned, practically on all fours—not in substance but procedurally in relation to the motion for second reading—with the amendment which was sustained by the Speaker of that day.

In so far as the argument is concerned that the content of the amendment could be moved at various stages in committee of the whole an argument based on the principle ennunciated that amendments on second reading should not be in a form which can be made in committee of the whole—I should like to point out that the strict application of that ruling would apply also to the amendment of 1960. One could have made a technical argument that the content of that amendment might have been made as an amendment to a clause in committee.

Your Honour, however, knows the difficulty involved in moving amendments in committee. In committee you cannot assert a general

principle; you must move a specific amendment strictly related to the section under discussion. So I would say now that just as that argument was not used and did not apply with respect to the amendment of 1960, it is not applicable to the amendment moved today.

On the basis of the precedent that was established by the attitude and the conduct of this house itself just six years ago, I have no hesitation in submitting to Your Honour that this amendment is in order and has been sanctioned by the house itself.

Mr. Knowles: Mr. Speaker, I too should like to say a few words in support of the validity of the amendment moved by the right hon. Leader of the Opposition. In just a sentence may I emphasize the strength of the argument used by the hon. member for Kamloops in drawing your attention to the amendment that was moved on November 30, 1960, by the right hon. gentleman who now is the Prime Minister of Canada, an amendment practically the same in form as the one now proposed. That amendment was allowed by the Speaker of that day and voted on by the house. It does seem to me that Your Honour will have to give serious consideration to the weight of that precedent.

The second point I should like to make relates also to the use—if I may say so, I think frequently the misuse—that is made of citation 382. The Minister of National Health and Welfare reads citation 382 as though every qualification mentioned therein has to be met by an amendment of this character. I draw Your Honour's attention to the fact that the word "or" appears half a dozen times. In other words, there are several different things that an amendment of this kind may do, even if it does only one of them, and be in order under the provisions of citation 382.

It is not necessary in all cases for such an amendment to be moved by one who is completely opposed to second reading of the bill. I happen to be opposed to second reading of the present bill as it now stands, but it seems to me that has no relevance to the question of whether or not the amendment is in order. If it is an amendment which states a resolution declaratory of some principle adverse to or differing from the principles, policy or provisions of the bill, it is in order. On the other hand, if it is an amendment which expresses opinions as to any circumstances connected with its introduction or prosecution, it is in order, or if it is otherwise

opposed to the progress of the bill it is in order.

I submit that the amendment moved by the Leader of the Opposition does express opposition to the progress of this bill just as the amendment of the present Prime Minister did in 1960. So far as citation 382 is concerned, far from its being one to quote in opposition to this amendment it is precisely one to quote in support of its validity.

• (4:10 p.m.)

The third point I should like to draw to Your Honour's attention is the manner in which the Minister of National Health and Welfare has tried to have it both ways. He argued that it is not possible to raise matters such as the Freedman report and other things of that kind on second reading because they are not relevant to the bill and therefore they cannot be the subject of an amendment on second reading.

Mr. MacEachen: I did not say that.

Mr. Knowles: The minister said precisely that there was no reference in the bill to the Freedman report and therefore it would not be relevant to move an amendment of this kind on second reading. Then he turned around and said it would be possible to do so during the committee stage.

Mr. MacEachen: Mr. Speaker, I rise on a question of privilege. I said exactly the reverse. I said an amendment or change sought during second reading, including anything in reference to the Freedman report, could be achieved during the committee stage.

Mr. Knowles: The minister is demonstrating the point I am trying to make. When he was arguing about the kind of amendments that can be moved on second reading he said this would not be possible because the Freedman report was not mentioned in the bill. He then said that when we reached the committee stage amendments of this kind could be moved. I suggest the minister cannot have it both ways. Either the amendment is relevant or it is not relevant.

So far as the Freedman report is concerned, I submit there is a reference to the matters dealt with in the Freedman report in the bill in that it refers to the issues in dispute between the companies and the employees. Therefore I submit it would be appropriate to deal with this report by amendment on second reading. I submit, as a matter of fact, that when we reach committee stage we will be faced with all kinds of difficulties about details that are somewhat removed from the specific details in the clauses of the bill, but that we have an opportunity to press points of principle when we are debating the principle of the bill on second reading.

I submit there is no question as to the propriety of the amendment at this stage and that we may have difficulty importing new ideas into the bill when we reach clause by clause consideration of it. Therefore, Mr. Speaker, without spelling it out at any length I submit that on these three counts, because of the fact that the amendment moved on November 30, 1960, by the present Prime Minister was allowed as being in order, because of the authority set out in citation 382, and because of the fact that on second reading we are dealing with matters of principle, we should have the right to vote on the declaration of principle put forward in the amendment moved by the Leader of the Opposition.

Mr. Pearson: Mr. Speaker, in arguing in support of the regularity of this amendment reference was made to the amendment to second reading of the 1960 bill which was moved, as it happened, by myself. As hon. members know, that particular bill prevented workers from exercising the right to strike and, over a period of six months, froze their wages. No increase was given and wages were frozen. Our amendment at that time provided for a wage rate, if such a step were taken, and the wage rate was in accordance with the majority report of the conciliation board. There was a difference in principle. On the other side there was a suggested wage freeze while on this side there was a suggested wage increase.

Mr. Fulton: Mr. Speaker, may I ask the Prime Minister a question? How long is it since he has read his amendment of 1960—because it did no such thing as he has claimed.

Mr. Pearson: You do not like to be reminded of the facts.

Mr. Fulton: You should state your facts accurately.

Mr. Turner: Mr. Speaker, in addressing myself to the point of order I should like to draw Your Honour's attention to citation 393 of Beauchesne, fourth edition, and specifically

to all three paragraphs. The first reads in part as follows:

> An amendment purporting to approve the principle of a bill and at the same time enunciating a declaration of policy cannot be moved to the second reading. It must oppose the principle of the bill.

The second paragraph reads:

> An amendment to the second reading of a bill which accepts in part the principle of the bill and suggests that it may be improved by provisions which can only be moved in committee of the whole is out of order.

The third paragraph reads:

> An amendment which is not adverse to the principle of a bill but proposes that certain provisions be added to the bill cannot be moved on the motion for second reading.

The principle of this bill is to provide for the resumption of the operations of the railways and the early settlement of existing disputes.

Mr. Grafftey: That is not what the Prime Minister just said.

Mr. Turner: There is nothing in the amendment introduced by the right hon. Leader of the Opposition which is adverse to or attacks the principle of the bill. All it does is add certain provisions which in the opinion of the official opposition would improve the provisions of the bill, namely, the incorporation of further items of the Munroe and Freedman reports.

I submit to Your Honour that if that is the opinion of the opposition hon. members will have an opportunity to append suggestions such as they are now making when dealing with the individual clauses of the bill, and I refer specifically to clause 6 regarding the Munroe report and clause 10 and other clauses regarding the Freedman report. With the greatest respect, they cannot have things both ways. They cannot in fact approve the principle of the bill, which I am sure everyone approves, that is, to achieve the resumption of the operations of the railways, a cessation of the strike and a settlement of the dispute, and at the same time move an amendment to the declaratory principle. That can quite appropriately be done during the committee stage when we are dealing with the clauses of the bill.

Mr. Olson: Mr. Speaker, I think we have to look at the first few words of the proposed amendment of the Leader of the Opposition which state:

> This house declines to proceed with the second reading of a bill—

The amendment then goes on to spell out a number of reasons why the house should decline to proceed. It seems to me that if the amendment were passed it would have the effect of killing the bill. There is no doubt in my mind about that. The Leader of the Opposition went on to suggest that the government should come forward with a new bill.

It is my opinion that we must also decide whether or not, on the basis of the arguments that have been advanced up to this point, the purpose of the bill is the same as the principle of the bill. I suggest it is not. Surely the purpose of the bill is to put into effect an act which would result in a resumption of the operations of the railways. It seems to me that the principle of the bill involves more than simply that. It involves the manner in which this is to be done.

In the citation referred to by the Minister without Portfolio, citation 393, particularly paragraphs 2 and 3, it is very clearly stated that an amendment to the second reading of a bill which accepts in part the principle of the bill and suggests that it may be improved by other provisions is not in order but must be moved at the committee stage during the consideration of the particular clauses which are disagreeable.

Paragraph 3 of that citation states:

> An amendment which is not adverse to the principle of a bill but proposes that certain provisions be added to the bill cannot be moved on the motion for second reading.

The last three sentences of citation 386 are as follows:

> The house cannot both refuse to give the second reading and refer some provisions of the bill to a committee. It shall have to make its choice. The amendment was ruled out.

I suggest that the question Your Honour must decide is whether there will be anything left to proceed with if this amendment is accepted. I suggest that the amendment will completely kill the bill if accepted and therefore is not in order at this stage.

• (4:20 p.m.)

Mr. Bell (Carleton): Mr. Speaker, may I submit very briefly that the whole matter is set forth with great clarity at page 530 of the 16th edition of May. This type of amendment falls within the definition of what is called a "reasoned amendment" in the House at Westminster. May says at page 530:

> A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories.

Then he mentions these three, each of which is alternative:

1. It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

I emphasize "the principles, policy or provisions of the bill." These categories are in each case alternative and in fact are very similar to those contained in citation 382 of Beauchesne. Then May says:

2. It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.

3. It may seek further information in relation to the bill by committees, commissioners, the production of papers or other evidence.

For each of these three alternatives there is ample authority in the footnotes. I submit, Mr. Speaker, that here you have an alternative situation, that the amendment moved by the right hon. Leader of the Opposition in fact falls within No. 1 and that if it does not fall within No. 1 it certainly falls within No. 2.

[*Translation*]

Mr. Allard: Mr. Speaker, I have listened attentively to the comments of the hon. members and of the ministers on the amendment moved by the hon. Leader of the Opposition (Mr. Diefenbaker).

I was particularly impressed by the argument that the purpose of amendment is not contrary to the principles of the bill. In fact, the bill under consideration is divided into three parts. The bill suggests, first of all, a suspension of the railroad strike, second, an increase in wages and third, the institution of binding arbitration.

These are the three principles. What is being suggested in the amendment? No purposes are being suggested contrary either to the suspension of the strike or to the wage increase or to binding arbitration.

This is an amendment that adds something and much more could be added. In fact, I am surprised to find it so short. A lot of things could be added to make it into an amendment encompassing other items. And if the government had not yesterday introduced another bill on the implementation of the recommendations of the MacPherson commission, I would not have been surprised if it had been added to the amendment that has been introduced.

Well, Mr. Speaker, I think this amendment should be rejected because it is out of order and it will only delay the business of the house while Canada is losing $15 million a day. We should deal with the bill at the earliest possible moment.

Mr. Caouette: Mr. Speaker, we could probably spend two days listening to the pros and cons of the amendment without reaching an agreement. We could listen to citations, have recourse to precedents established in the past, and all this would still not settle the matter. The hon. member for Sherbrooke (Mr. Allard) has just said that this amendment is not at all in keeping with the principles of the bill under consideration, but only adds to the bill. Reading it, I do not see that the amendment adds anything to the bill; its result would be rather, as the member for Medicine Hat (Mr. Olson) said earlier, to kill the bill, since in fact the amendment introduced by the Leader of the Opposition simply says that the bill does not provide an adequate solution to the present deadlock.

The Leader of the Opposition is not suggesting or adding anything by this amendment, as the member for Sherbrooke said earlier, it merely serves to delay the study of the bill.

Now, I think that the principles of the bill are, first and foremost, to put an end to the railway strike. Those principles must be adhered to and if the Leader of the Opposition wants to move an amendment against the principles of the bill designed to end the strike, he should then move an amendment other than the one now before us.

To sum up, Mr. Speaker, this amendment is meaningless. It would be a waste of time to call a vote on this matter. If the Leader of the Opposition has nothing else to submit, at least he should let us discuss the bill and refrain from moving such amendements.

Mr. Grégoire: Mr. Speaker, I simply wish to ask for some information The first words of the amendment are as follows:

That all the words after "that" be struck out and the following substituted therefor.

Now, Mr. Speaker, in the bill before us, the word "that" appears at least 75 times, and I should like to know after which "that" the words are to be struck out and the following added. Knowing this, we shall then be enlightened as to the scope of the amendment. Could the Leader of the Opposition give us an answer?

[*English*]

Mr. Speaker: Order, please. I am in a position now to express an opinion with regard to the very interesting arguments which have been put forward to enlighten the Chair. Perhaps I may deal first with the objection just raised by the hon. member for Lapointe.

[*Translation*]

The motion provides that the bill be not read a second time. The amendment does not refer to the bill itself but to the motion for second reading. I believe there is only one "that" in this motion.

[*English*]

The objections raised by the Minister of National Health and Welfare and the Minister without Portfolio were, of course, of a very serious nature and require appropriate consideration. I have also taken into account all the arguments put forth by other members of the house. I might say right now, to relieve the anxiety of some hon. members, that I feel the amendment should be accepted for a number of reasons.

The first objection raised by the Minister of National Health and Welfare and supported by the Minister without Portfolio was that this is a reasoned amendment and that a reasoned amendment must be declaratory of a principle adverse to or opposed to the principles of the bill. This objection has been answered effectively, I believe, by the hon. member for Kamloops and the hon. member for Carleton in that this is only one of the several possible forms of a reasoned amendment.

There is an enumeration, as stated in May's 17th edition at page 527, of the several forms of this type of amendment. The first is:

> It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

Then we find:

> 2. It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.
>
> 3. It may seek further information in relation to the bill by committees, commissioners, the production of papers or other evidence.

The Minister without Portfolio referred to citation 393 of Beauchesne, which seems to be in contradiction to May. This matter was brought to my attention on a number of occasions previously, namely, that there was obviously a contradiction between May and Beauchesne. Consequently a search was made of the authorities upon which citation 393 of Beauchesne was based. This search was not too fruitful. It seems that citations 393 (1), (2) and (3) of Beauchesne constitute the rule as it existed perhaps some years ago. However, it has not been followed more recently. I suggest to hon. members that the rule which should be followed is as expressed in May's 17th edition.

• (4:30 p.m.)

The other serious objection submitted by the hon. ministers, which was supported, of course, by other hon. members, was that an amendment must not be concerned with the provisions of the bill upon which it is moved nor anticipate amendments thereto which may be moved in committee. In relation to this particular objection, the amendment appears to be a borderline case.

Hon. members are aware of the citation in the 17th edition of May's Parliamentary Practice, page 528, which reads as follows:

> The amendment must not be concerned in detail with the provisions of the bill.

I feel there is a distinction to be drawn here. In my opinion this amendment does not refer in detail to the provisions of the bill before the house. For this reason I think I can feel free not to accept the objection of the ministers to the amendment.

We have before us a reasoned amendment and the principle of a reasoned amendment is set out very clearly in Abraham and a Hawtrey's Parliamentary Dictionary at page 162, which states in very clear terms what a reasoned amendment is. It reads:

> This form of amendment seeks . . . either to give reasons why the house declines to give a second or third reading to the bill, or to express an opinion with regard to its subject matter or to the policy which the bill is intended to fulfil.

This language is extremely general in nature and I believe would include the type of amendment which has been moved by the right hon. Leader of the Opposition.

Lastly, it has been brought to my attention that an amendment in many ways similar from a procedural standpoint was moved in 1960 and accepted at the time. I believe there is no substantial procedural distinction between the two amendments.

For all these reasons and from the procedural standpoint I accept the amendment moved by the right hon. Leader of the Opposition.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, there can be no doubt that the present railway strike constitutes a crisis for

this nation. There can be no doubt that it is having serious repercussions not only upon the travelling public but also upon the primary producers and on the jobs of thousands of workers who depend for employment on parts and materials which are shipped by rail. Consequently, this house is properly seized of the importance of dealing with this matter.

It seems to me equally true that there is no doubt as to why we face this serious crisis. This is one of the government's chickens that has come to roost. The government's failure to cope with the problem of the maldistribution of our national income, the fact that the government has done nothing about profiteering and soaring prices charged the consumers of Canada, have had an adverse affect upon the farmers, the fishermen, the workers, and particularly upon those who have to live on fixed incomes. Moreover, there has been no serious attempt to avert this strike. There has been no genuine bargaining on the part of the railway companies when one realizes that bargaining began ten months ago and that in all that period of time the railways have not made a single offer of settlement to the employees.

The other evening on the national television the Prime Minister (Mr. Pearson) said that certainly the railway employees were entitled to an increase in wages. Both the Munroe and the Cameron commissions said that the employees were entitled to an increase in wages. However, for ten months the railways have refused to acknowledge that any increase at all should be given to their employees. This has been ten months of frustration and resentment. It was inevitable that out of this feeling of frustration a strike would undoubtedly come.

Mr. Speaker, workers do not go on strike for fun. These particular unions, I understand, have no provisions for strike pay. Workers depend upon their weekly wages to support themselves and their families. It is only under the most extreme provocation that workers finally decide to walk the streets. The fact is that in this instance, as in previous railway strikes, the railway companies have deliberately invited a strike because they have used a national railway strike as a means of blackmailing the country into giving them increased revenue Repeatedly over the past half century the railway companies have stalled negotiations and provoked a strike so that parliament would have to intervene. Then they have sent the wage bill to parliament in the form of either asking for a government subsidy or asking parliament to sanction increases in freight rates. We might as well face the fact as to where the culprit is.

In this country the Canadian Pacific Railway has exploited its employees, milked Canadian shippers and raided the federal treasury ever since the day it was born. It has continued to do that throughout its history with the connivance of both the major political parties in this country. We have seen this ritual dance performed again and again. The railways stall, a strike takes place, hysteria is rampant, parliament rams through legislation, men go back to work, some settlement is imposed, and then parliament is told by the railways: You must give us more money to pay the wage bill which you have caused us to incur. This could be called the mating dance of avarice and expediency. Every step is carefully rehearsed and the conclusion is well known in advance. The one thing you can be sure of is that the public is the one that gets ravished.

Of course, the governments we have had, whether they were Liberal or Conservative, have each in turn condemned this practice when they were in opposition and practiced it when they were in office. In 1950 the St. Laurent government introduced compulsory arbitration to settle a national railway strike. This, of course, was opposed by the Conservative opposition.

In 1960, to prevent another national railway strike, the Diefenbaker government imposed compulsory arbitration, and the members who sit on the front bench to your right, Mr. Speaker, the Prime Minister, the Secretary of State for External Affairs (Mr. Martin) and the Minister of Transport (Mr. Pickersgill) waxed eloquent about this violation of civil rights and this denial of the basic freedom of collective bargaining. Now we have the same gentlemen introducing another compulsory arbitration law and it is being opposed vigorously by the same party which in 1960 introduced a similar measure.

• (4:40 p.m.)

The unfortunate part about this ritualistic dance is that in every case the government in office at the time has allowed the situation to deteriorate to the point where hysteria and a crisis psychology put parliament in the position that it must pass compulsory legislation and put the Canadian people on the spot where they can be blackmailed into giving the railways more money. It is bad enough,

Mr. Speaker, to have the government's chickens coming home to roost, but it is worse when parliament has to deal with them and the Canadian people have to pay for them.

Over the years both the major political parties of this country have failed to introduce machinery for effective collective bargaining between the railways and their employees. They have allowed the railway companies to bamboozle both government and parliament into introducing compulsory arbitration and then into picking up the tab for any wage increases which may ensue.

Many labour leaders in Canada and the United States have been saying quite openly that the strike is outmoded as an industrial weapon in our modern society, that it has now become a blunt instrument which not only affects the economy but adversely affects even those who take part in it. The only way that strikes can be averted is to set up the kind of machinery that will prevent strikes and which will promote genuine collective bargaining on the part of both parties.

This is not impossible, Mr. Speaker. A country like Sweden has established economic stability without any denial of fundamental rights. That country has gone for more than a quarter of a century without a major strike because there has been provided both to management and labour effective machinery for negotiation and collective bargaining.

However, the Prime Minister may gift-wrap this bill, it is imposing compulsory arbitration. Earlier this afternoon the Secretary of State for External Affairs interrupted the Leader of the Opposition to say that the right to go on strike was a basic civil right. But according to the government, staying on strike is not a basic civil right. For them the right to bargain collectively as to wages, conditions of labour and the terms on which workers on strike will return to work is not a basic civil right. Under this bill the worker has not the right to stay on strike or the right to say under what terms and conditions he will go back to work.

I am opposed, Mr. Speaker, to compulsory arbitration. I do not think the government should have allowed itself to get into the impasse in which it now finds itself. But now parliament has no choice but to ask the railway workers to go back to work in the interests of the welfare of the public. In this as in any other case the national interest must take precedence. But that cannot justify trampling upon the basic rights of this group of workers or of any other group of workers.

We in the New Democratic Party believe that it is possible to bring about a resumption of work while at the same time preserving the principle of free collective bargaining.

The government proposes to force the men back to work on the basis of a wage settlement of 4 per cent from January 1 and 4 per cent from July 1 of this year, which over the entire calendar year amounts to a 6 per cent increase. The government leaves the wages for 1967 to arbitration if an agreement is not reached as a result of negotiation. We might as well face the fact that any negotiation under a mediator which takes place between now and November 15 will be a farce. It will be a pointless waste of time. Does anyone think that the railway companies will seriously negotiate when they know that by stalling until November 15 compulsory arbitration will follow? Does anyone think that the railway companies will make a genuine offer when they know that in the event of compulsory arbitration any offer which they have made will become the floor in the consideration of those who are called upon to arbitrate and to settle the final wage bill?

So what the government is doing, Mr. Speaker, is fixing the wages for this year and leaving to the tender mercies of an arbitration tribunal what will be the wages of the railway workers in 1967. I think it is significant that although this legislation contains terms that will fix the railway workers' wages for this year and will leave the arbitration board to fix the wages for next year, there are no provisions for restricting the profits made by the railway companies. Nothing is said about holding down the profits of the railway companies to 6 per cent.

This morning's *Globe and Mail* carries an interesting item datelined Montreal which indicates that for the first seven months of this year, ended July 31, the profits of the Canadian Pacific Railway amounted to $30,266,322 compared with $22,535,679 for the first seven months of the previous year. That represents an increase in profits in the first seven months of this year for the Canadian Pacific Railway of 34.2 per cent. So the railways have done pretty well.

If one looks at the financial statements of the Canadian Pacific Railway one notices that 1958 was for a long time their banner year in achieving peak railway revenue. But in 1964 this figure was surpassed; it went up to $510 million, a 1 per cent increase. In 1965 railway revenue amounted to $518 million, an increase of $7.9 million or 1½ per cent. For the

first seven months of this year railway revenue is up another $29 million. I think it will not be lost on the railway workers of Canada that while the government is asking parliament to restrict their wages to an increase of 6 per cent in the year 1966 no provision whatever is made for restraining in any way the profits which will be made by the railway companies. Nor is there any provision which says that when this matter goes to arbitration the railway companies will be required, in arguing their ability to pay, to take into consideration not only their railway revenue but also the vast revenues they get from their other operations which were started and financed out of the profits derived from their railway operations.

• (4:50 p.m.)

For years it has been a sore point for many of us in western Canada that when we argue before the Board of Transport Commissioners with respect to freight rates the railways insist that their financial ability should be based solely upon their railway revenue. The millions of acres of land they have obtained as a free gift are not included. Their mining operations, their forestry operations, their sales of land, their petroleum operations and their great investment companies are left out of consideration when they argue as to what wages they can pay or what freight rates they should charge. As a matter of fact, the Canadian Pacific Railway for several years has been divorcing its railways operations from its other enterprises. It is looking to the day when some government in Canada will take over the railways and establish a national railway system.

If any government in this country is ever faced with the prospect of taking over the Canadian Pacific Railway, I hope it will have enough sense to take over all the Canadian Pacific Railway's assets and not merely the railway. Those other assets have been built out of the profits which the company has made from its railways and out of land grants consisting at millions of acres of land which it received from the respective governments of Canada.

It is significant, Mr. Speaker, that although the government is now going to impose a settlement on the workers by this legislation, which tells the trade union leaders to order the men back to work, there is no suggestion that it is prepared to appoint an administrator of the railways as we suggested should have been done when the longshoremen's strike went on for so long last spring. The only way that the railway workers of this country will know that collective bargaining under a mediator will be genuine and effective is if there is an administrator over the railways during all that period of bargaining and negotiation.

In this party we believe that the wage increase provided for in this legislation is inadequate and that it will be ineffective in bringing about the result the government desires. The 6 per cent for this year follows the formula proposed by Mr. Justice Munroe and by Mr. Justice Cameron. But the rest of the formula, which was that there should be a further increase of 4 per cent for the first six months of 1967 and 6 per cent increase for the last half of 1967, is not to be found in the legislation. This leaves the determination of what railway wages will be in 1967 completely up in the air, completely at the mercy of a board which has not yet been appointed. I say that because I am taking it for granted that the railways will not do anything effective with respect to free bargaining and negotiation between now and November 15.

The very least that the railway workers had the right to expect was that if they were to be ordered back to work they would be given an increase of 18 per cent spread over a two year period in line with the Munroe formula. In my opinion the government would have been justified in giving them 25 per cent. That would have been less than the workers were asking. Twenty five per cent can be fully justified in the light of wage rates being paid in the durable industries.

The proposal contained in this legislation is scandalously inadequate and indicates the extent to which this government is out of touch with the people of Canada. If anyone thinks that this statement is too strong, I call as a witness the outstanding Liberal newspaper of Canada, the Toronto *Star*, which says in an editorial in today's issue:

> It's incredible that the government could have got so far out of touch with the mood and need of the railwaymen.

It goes on to say:

> What if they don't go back? A provision of the Criminal Code specifies two years imprisonment for anyone who disobeys an act of Parliament. Can anyone seriously believe that this is going to be applied against 117,000 railway workers?
>
> No, the government must be rescued from the ludicrous and dangerous position in which it has placed itself and the country.

This is a Liberal newspaper speaking. This is not a critic of the government but one of its supporters, Mr. Speaker.

For those persons who feel that the amendment which has been moved or the speeches which have been made are obstructionist I will read the next sentence:

> The opposition should hold up the bill and fight for a more realistic wage proposal. The right standard is not to be found in the excessive wage increases won by the dock and seaway workers, but in a formula based on wages in the durable goods industries.

The editorial winds up with these words:

> The government's proposal for continued negotiation under a federal mediator, followed by arbitration, if necessary, is pointless time-wasting. There is no reason to believe that genuine negotiation will take place. And considering the sharpness of the railwaymen's discontent, more waiting seems likelier to heat them up than to cool them off.
>
> It would be far better for Parliament to impose a decent settlement now. That is the way to get the railways moving again, to insure an equitable deal for the workers, and to maintain a degree of respect for Parliament and the law. That respect is now jeopardized by the government's folly.

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

Mr. Douglas: Certainly, if Mr. Speaker will take into consideration the time taken by it.

Mr. Pickersgill: I would ask the hon. gentleman whether he subscribes to the view expressed in the editorial he just read, that this parliament should set wages?

Mr. Douglas: You have done it. You have done it.

Mr. Pickersgill: We have not.

Mr. Douglas: I have already expressed my opposition to wages being set by parliament. But I plead with the government that if it is going to set wages, then in heaven's name set decent and reasonable wages.

• (5:00 p.m.)

Mr. Pickersgill: I wonder whether the hon. gentleman, who is always fair and reasonable, will permit a second question?

Mr. Douglas: When the hon. member for Bonavista-Twillingate starts to hand out compliments I know there is trouble ahead. Very well.

Mr. Pickersgill: I would ask the hon. gentleman whether he can point out any place where this bill sets wages. Does the bill not state a figure and allow that figure to be increased by mediation or by arbitration?

Mr. Douglas: I can save the hon. gentleman sputtering much longer. May I put it in a single sentence. This bill sets the wage at which a man will be required to work and tells him that anything more will have to be got as a result of the finding of an arbitration board in the event that negotiation does not produce a settlement. If that is not setting wages, I do not know what is.

The Minister of Transport, who is sputtering to himself in his seat, is not going to deceive the railway workers of this country into believing they are not being hijacked into going back to work for wages which they do not know. Nor does the minister know what they are going to be. They may get nothing more than is provided in this bill. They have no guarantee of a single dime more than this bill provides, and the minister knows that. Let the hon. gentleman not try to split hairs and wriggle around to get out of the tight position in which he finds himself.

Mr. Pickersgill: Mr. Speaker—

Mr. Douglas: If the minister wishes to make a speech he can make it, but he is not going to take up my time. Unlike the Prime Minister and the Leader of the Opposition, I have limited time at my disposal. I want to make a case and I do not propose to have my time frittered away by nonsensical questions. If the minister wishes to make a speech justifying the government's position I am sure we will all listen to it.

The basic weakness of this legislation is that it may not be effective in getting the men back to work. That is the most serious aspect. Throughout the history of this country the labouring people have been among our most law-abiding citizens and I hope they will continue to be so. But if the government wants people to respect the law, then the law must be deserving of respect. If the government wants the workers of this country to hold parliament in high regard and obey the laws, this parliament must be careful to ensure that the laws it passes are just and fair. This law is neither just nor fair.

These men are not unaware of the fact that if this law is passed it will force them back to work under conditions imposed upon them and about which they have no say whatsoever. They are not unaware of the fact that while their wages will be set by someone else, partly by parliament and partly by an arbitration board, the government and parliament

are doing nothing at all about setting the price which a worker has to pay to General Motors for a car or to Canada Packers for a pound of bacon, or what a farmer has to pay to International Harvester for a tractor. They know that this parliament is doing nothing about the steady rise in the interest rates which workers must pay for mortgages on their homes. As a matter of fact, instead of doing nothing government authorities have pushed interest rates higher so that today the worker is paying higher interest rates than ever. It is not lost on the worker that he, along with some of the primary producers, belongs to the one group which is having the price of its labour set by someone else while those who control the economy, those in the monopolies and the combines, continue to set what ever prices they please for the products which the consumer must buy.

If this law is to be obeyed it must be a just law in the eyes of those who are affected by it. The government ought to stop and think about this measure. This parliament can pass a law but legislation will not run trains. Only men can operate trains and only men can make the railroad system work. If the government wants the men to go back to work, as we all do, surely it ought to take a little time now and re-examine this measure.

I suggest to the government that it should consult the representatives of the railway unions and be prepared to amend this legislation by setting rates which will be considered a fair minimum and asking the men to go back to work on the basis of those rates. Then the process of free collective bargaining should take place with respect to what is to be added to those rates. I see no reason for imposing compulsory arbitration. If the government would appoint an administrator to act for the railways in these negotiations, if the government would give to the men a reasonable minimum as a basis upon which to return to work, I believe the process of free, collective bargaining would produce a settlement.

I seriously doubt that an imposed settlement will produce the effect which the government desires. Furthermore, may I say to the government that the situation is not being helped by the statement which was allegedly made yesterday by Mr. Ian Sinclair, the president of the C.P.R., who is quoted in one of our more widely circulated daily newspapers as having said that if the men do not go back to work when this bill is passed they will lose their pension rights. First of all, I doubt that he has the legal right to carry out such a threat. But I suggest to the Minister of Labour (Mr. Nicholson) and to the Prime Minister that one of the first things they should do is call Mr. Sinclair and tell him that this type of arrogance is only inflaming the situation and can only incite the men to defy parliament and the law.

Mr. Turner: Would the hon. gentleman not agree that Clause 4(b) of the present bill would anticipate and prevent any such action?

Mr. Douglas: There is no need to tell me that. Tell that to the president of the C.P.R. In any event, the Minister without Portfolio (Mr. Turner)—and without many other things—is a lot closer to the president of the C.P.R. than I am, and I suggest he talk to him on the telephone, read that clause to him and tell him to "button his lip", if we are to settle this strike peacefully.

There are other matters in dispute in addition to the matter of wages. Under this legislation all questions having to do with holidays, conditions of work, sickness benefits, vacations and job security are to be submitted to arbitration. I take strong exception to forcing workers to accept working conditions which have been imposed upon them by a tribunal of arbitration. These are things on which the workers have a right to bargain and to bargain freely without any imposition.

• (5:10 p.m.)

Lest I run over my time, Mr. Speaker, I shall interrupt what I am saying to propose an amendment to the amendment. Seconded by the hon. member for York South (Mr. Lewis) I move:

> That the amendment be amended by inserting therein, immediately after the words "Freedman report", the following words:
>
> "by imposing compulsory arbitration, and by failing to provide for the appointment of an administrator of the railway companies so that there might be effective collective bargaining,"

I move this amendment because not only is the question of wages important but equally important are these fringe benefits and other matters which are in dispute. I refer particularly to job security. The public is not too aware of the fact that over the past ten years the number of railway employees, although they are handling more tonnage, has actually declined by some 30 per cent. Figures for the C.P.R., for instance, show that in 1957 it had

89,720 employees and last year had 66,837 employees, a decrease of over 30 per cent.

Insecurity and anxiety are prevalent throughout our society and nowhere more prevalent than among railway workers. They have seen innovations and technological changes that have wiped out many jobs. They do not know from day to day or from month to month what is going to happen to them. This came to a head nearly two years ago and as a result of some wildcat strikes the government appointed the Freedman commission.

The Freedman report was brought down last year. Nothing has been done about implementing it but now the government, which has already had a royal commission look into the matter of job security and what is to be done about the workers in the event of technological change, is asking us to refer the whole matter back to another arbitration board which will review it again. Surely members of the government who have quoted the Freedman report and the excellent recommendations it contains throughout the length and breadth of the country do not need to leave this matter to arbitration.

Surely the principles affecting the question of job security for workers, the matter of consultation in the event of technological change and the matter of adequate notice to workers of any changes which affect them, ought to be written into this bill. The workers should not have to go before another arbitration board to argue for something which they already won from the Freedman commission. This is why we support the amendment which has been moved by the Leader of the Opposition. We believe that this legislation is deficient in that it does nothing to implement the recommendations of the Freedman commission and to put those principles on the statute books of Canada.

In closing, Mr. Speaker, may I say that we hope the government will have second thoughts about this legislation. Before this bill is given second reading we hope the government will be prepared to indicate that it is willing to make some of the changes we have recommended. If it fails to do so then it must accept the responsibility if the legislation is compeletely ineffective in getting the men back to work and getting the trains running again.

But I want to warn the government that if this strike is settled, and I hope it will be settled soon, it should not feel that it has really grappled with the causes that produced the strike. If this strike is brought to a successful conclusion and the men go back to work on terms which are fair and just, the government is going to have other strikes and other labour disputes unless it faces up to the fact that in this so-called affluent society the affluence is not fairly shared by all sections of the community.

The government must face the fact that we have still got unskilled workers, underpaid workers, farmers and fishermen who are getting inadequate incomes, and old age pensioners and veterans on fixed incomes who cannot survive in the face of the rising cost of living. The government must face the fact that the present distribution of income in Canada favours certain groups and that the great mass of the Canadian people are not enjoying the fruits of their collective labour.

The government will have to grapple with the problem of bringing wages, prices and profits into some proper relationship that is consonant with social justice. The time has come when we must either revamp the Canadian economy or face the prospect of having other economic crises like that which now faces the country. The railway strike will not be the end. It will only be one in a long series of crises unless we are prepared to face up to the fact that the present economy is an economic jungle in which the powerful are able to take the lion's share and the great bulk of the people have to be satisfied with what is left.

We shall have dislocations and social upheaval in Canada until we are prepared to build a society founded on economic planning and social justice. Let us not deceive ourselves that ending one strike will bring industrial peace to Canada. That will depend entirely upon substituting a planned economic and social democracy for our jungle economy.

• (5:20 p.m.)

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, we have now before us two amendments to Bill C-230.

The second amendment, that is the subamendment which I just received, has been moved by the N.D.P.; I draw the attention of the N.D.P. leader (Mr. Douglas) who, when he comes in the province of Quebec, speaks highly of the French language, of bilingualism in Canada, to the fact that his amendment is in English and that no French copies are available. The hon. member for York

South (Mr. Lewis) tells me that he did not have time to prepare a French copy, but that is just it, there has been no time for that for too long. That is why we hear people complain not only in the province of Quebec but nearly everywhere When we move a subamendment or an amendment, we take the time to prepare it in English as well as in French because we recognize that all through Canada both languages must be dealt with in the same manner.

Mr. Speaker, the N.D.P. amendment provides the insertion, after the words "Freedman Report" of the following words:

> By imposing compulsory arbitration and by failing to provide for the appointment of an administrator of the railway companies so that there might be effective collective bargaining.

Mr. Speaker, that amendment changes nothing or practically nothing to the bill before us. In fact, the bill provides that before compulsory arbitration there will be mediation, there will be a mediator who will consider the whole situation.

[*English*]

Mr. McIlraith: Mr. Speaker, on a point of order, I am not clear whether the hon. member for Villeneuve is raising a point of order on the subamendment. If he is not addressing himself to that point, since we have been unable to obtain a copy of it, I should like to reserve our right to raise a point of order with regard to the subamendment. Until we are able to obtain a copy of it, we have no objection to the debate continuing.

[*Translation*]

Mr. Caouette: I have no objection to the Minister of Public Works (Mr. McIlraith) considering the amendment in order to decide whether or not it is in order.

However, I wish to call once again the attention of the house to the fact that the appointment of an administrator, as suggested by the leader of the New Democratic Party (Mr. Douglas), will not settle the labour problem in Canada.

As far as the amendment proper moved by the Leader of the Official Opposition (Mr. Diefenbaker) is concerned, I mentioned earlier that this amendment is more or less meaningless. And if we recall what his government did about labour matters when he was prime minister, and more specifically, regarding the Canadian National Railways in 1960, we find that the Leader of the Official Opposition did not work any miracle at that time. The labour problems were not solved; the national railroad problems were not solved in the least. Yet, today, it is claimed that the Munroe report is not included in the bill, the chairman of the arbitration board indicates not a single efficient method to settle the problems of fringe benefits and gives no indication as to the implementation of the Freedman report.

Mr. Speaker, we are swamped with all kinds of reports. We are stifled under reports from right and left. Day after day, stacks of reports are brought in and the question has never been solved, the problem has never been settled.

On August 16 last, 15 days ago, I handed the press the following release:

> Nowhere in the world has a strike ever settled the labour problem.

That is so true that it always has to be done all over again.

Consider any sphere of the economic activity in Canada and you will see that that is true, be it within the mining industry, the textile industry, the national railways, the building industry, agriculture, be it in any sphere of economic activity in Canada, never have strikes settled the labour issue. It always has to be done all over again. The end of a strike spells the beginning of another.

We are presently considering Bill C-230 aimed at ending the railway strike. While we are discussing this bill, the postal workers' strike is being planned in Canada. The Postmaster General (Mr. Côté), the Minister of Labour (Mr. Nicholson) and the Prime Minister (Mr. Pearson) are aware of this. After the postal workers' strike there will be another strike. Mention is made today in the press of a strike involving 16,000 men in the Sudbury area. There was a strike not so long ago and the problem was solved; a solution was found at that time. Today we have to start all over again. With the railways it is the same thing.

• (5:30 p.m.)

In 1950, under the St. Laurent administration, there was a nine-day National railways strike. What did the Leader of the Opposition say at that time? Back in 1960, former Prime Minister Louis St. Laurent proposed and obtained compulsory arbitration in spite of opposition reproaches—the Conservative opposition—concerning the railway problem in Canada.

On December 2, 1960, after the Diefenbaker government had the house pass the Railway Operation Continuation Act, which suspended

for a period of six months railwaymen's right to strike, that is until May 15, 1961, during that six month period, negotiations went on between employer and employees, and early in May 1961, an agreement occurred between the parties.

In 1966, the same problem arises with much more serious and disastrous consequences for Canada and the Canadian people.

In addition, the threat of a strike—of an inflationary strike-crisis, and everyone is talking about it—the strike or strikes are the result of circumstances, of a political and economic situation which exists in Canada today. What will the government do to solve efficiently once and for all that conflict which has been dragging for almost 20 years? The leader of the opposition in 1960 was the present Prime Minister; he stated then, at pages 446 and 447 of *Hansard* I think:

I do not intend to try to block or delay passage of this bill at this time by any procedural move. However, before the vote is taken I intend to set out briefly but I hope clearly the sole but significant difference between the government and the Liberal opposition on this bill. We agree with the government that there should be no railway strike at this time.

The same remarks were made last night by the Leader of the Opposition.

We agree with the government that there should be no railway strike at this time. We agree with the government that it has become necessary to prevent this strike which otherwise would start tomorrow morning. We have already made that statement.

We do not agree with the government that the workers involved in this matter should be compelled by law to continue to work at wages below the standard accepted in comparable occupations where strikes are permitted, which standard has been used in negotiations previously.

It is the present Prime Minister, then leader of the opposition, speaking.

Our position is that in compelling the men to remain at work, the bill should also compel the companies to pay wages that a conciliation board, with a chairman appointed by the government, found to be fair and reasonable.

The present Prime Minister said that when he was leader of the opposition.

However, if the government persists in maintaining the bill as it is, we cannot vote to force men to work for wages judged to be substandard by the Milvain conciliation board set up by the government. Therefore the government and its supporters will have to take exclusive responsibility for this unjust method to prevent a strike, which strike, however, we also believe must be prevented at this time in the public interest.

[Mr. Caouette.]

That statement was made by the Prime Minister when he was leader of the opposition, about a similar conflict at the time when the present Leader of the Opposition was prime minister, on December 2, 1960, as reported at pages 446 and 447 of *Hansard*.

Mr. Speaker, today we hear the same thing from the Leader of the Opposition, those very words that were used in 1960 by the present Prime Minister.

We find here on page 345 of the official report for November 30, 1960, what the minister of labour of the time, the hon. member for Ontario (Mr. Starr), had to say about a piece of legislation providing for the maintenance of railway operation:

At this point, I would refer to the words of the Right Hon. Louis St. Laurent, then prime minister, when dealing with a similar situation in this House in 1950.

That was ten years before.

Mr. St. Laurent spoke against the background of a railway strike which had been in progress for nine days. That strike he described as a national emergency. If continued over a lengthy period of time, he told the house then, it would bring the economy of the nation to a complete standstill.

This legislation, Mr. Speaker, is being brought forward in order to prevent a repetition of a similar national emergency.

That was the then minister of labour, who is now the hon. member for Ontario in the official opposition, speaking. Now, we find that this crisis is repeating itself, this time still more acute. And the then minister of labour said:

In 1950, the emergency was allowed to happen. In 1960, it will not be allowed to happen.

Really, it is edifying to hear today the Leader of the Opposition tell us exactly the opposite of what his assistants said at that time.

The first effect—

continued the former minister, Michael Starr,

—of a strike, at this time would be to throw out of work some 170,000 railway employees. This figure would be doubled by the resulting unemployment of those who depend upon the railways as a means of economic subsistence.

In 1950, for example, in addition to the railway workers unemployed as a result of the strike, some 70,000 workers in other industries were laid off and, in 1960, the figure would be substantially higher. The direct and indirect consequences which would flow from a strike at this time would be disastrous in their magnitude.

That was the minister of labour of that time speaking. This is even more true in 1966. How is it, Mr. Speaker, that the member for Ontario then said this crisis should not occur

again? Why, following their 1960 legislation, does this crisis recur today whereas according to what they said then, everything was definitively under control and the Conservatives boasted of having settled the railway dispute in Canada?

Mr. Speaker, the labour problem has never been settled by strikes. This does not mean that we do not want better working condition for the workers. We know and realize that, in many cases, the workers do not receive the treatment they deserve.

For example, there are the raises demanded in certain fields or sectors of the economy which may be compared to the starvation wages paid by Ayers to its Lachute workers.

Mr. Speaker, while others help to raise prices in Canada, what about the situation of workers such as those in Lachute who have large families and earn at the most $40 a week?

How can those people live in Canada now? And if those people and those families, Mr. Speaker, find it difficult to make a living in Canada, is it because Canada is not able to produce more than enough goods and services? Is it because Canada lacks natural resources? Is it because Canada lacks intelligent and brave people?

Mr. Speaker, it is the system that is a fault. It is the system which produces strikes. It is the system which is responsible for inflation; and yet the government does not lift a finger to control that system and make it serve those who are ready and willing to develop all the potential in Canada.

These, Mr. Speaker, are the wrongs of the system. And that is why my statement continued.

The workers themselves are victims of the strikes.

The workers suffer from the strikes. Not only the railway workers now on strike, but many others. The discharge or lay-off of 2,000 miners in Sudbury because the trains are no longer running is a result of this strike. Other workers pay for the strike. The farmers left with their wheat harvest in the west, who cannot ship it: again, workers struggling against the system, results of the railway strike.

We federal members are not deprived of our income and our standard of living does not suffer from these strikes. Neither are the income and the standard of living of labour leaders affected by the strikes. It is the workers themselves who suffer, along with their wives and their children all across Canada. It is they who pay for the strikes. Financiers are not affected by strikes.

• (5:40 p.m.)

When chartered banks are allowed to raise their rates of interest purely on account of the creation of credit, this is legalization of monumental theft in Canada. Those people, the financiers, do not pay for strikes: Proof of this is provided by the fact that the government is getting ready, by means of another bill, to make us accept a raise in the rates of goods shipped by rail which will cause price increases. And do you believe price increases affect financiers?

When prices go up in industry, and industry rakes in 20 per cent, or 10 or 12 per cent in profits, Mr. Speaker, these profits come from price increases just as before. That means the big ones grow, in smaller numbers and small ones get smaller in larger numbers.

This is the financial system in which we live. And the government is not aware of this yet; nor are the labour leaders. They keep fighting with each other. I ask you, is one union better than the other?

I will undoubtedly be accused of being against trade unions and of being a lot of other things, after this speech.

Mr. Speaker, I admit officially that without the trade unions, workers would not be treated as they are today. I admit that unions have rendered immense services to all sectors of our national economy. I admit this has been the case from the standpoint of economy, politics and society. However, labour leaders have lost their heads, they are running around in circles much as a dog runs after its tail. Whenever someone cannot solve his problem he runs around insulting everyone, having no solution to offer. Even while we are debating Bill No. C-230, labour leaders have said this morning that if this bill is passed by the House of Commons of Canada, workers still will not go back to work. The labour leaders have said this; responsible people, people who think they are very important and who think they can make anyone do their bidding through intimidation. Mr. Speaker, no labour leader can make me toe the line by force; I am ready to hold a dialogue with him, though.

My statement to the newspapers went on in these terms:

It is my opinion that certain labour leaders must be brought back to reason, because their sole aim is to sow hatred and general confusion.

What is being done? Labour leaders lay the blame on those who are in the upper wage brackets. They attack those who make profits. Mr. Speaker, federal members of parliament here receive $18,000 per year, expenses included, $18,000 a year. Not one labour leader—and I dare them to deny this earns less than twice that amount. The Minister of Manpower (Mr. Marchand) knows that labour leaders are now better paid than any federal member of parliament.

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I am being asked a question. I may say that the statement just uttered by the hon. member for Villeneuve (Mr. Caouette) is untrue and as a former president of the C.N.T.U. I have never been paid twice the indemnity of a member of parliament.

Mr. Caouette: It was not an indemnity, Mr. Speaker, it was expenses and such expenses were substantially higher than salaries.

I will give him two examples: In the United Steelworkers of American, two small local leaders in our own area, one in Val d'Or and one in Rouyn—and the Minister of Manpower (Mr. Marchand) former president of the C.N.T.U. knew them very well, these chaps from the Abitibi and Rouyn-Noranda region—two local labour leaders, now established in Montreal, at Laval des Rapides, in $45,000 homes. These people are very well paid; they have two cars at their door. Now, I have nothing against people who are well paid and who have two cars at their front door—His and Hers—but I do have a grudge, for instance, against labour leaders who constantly attack private enterprise and call the parties concerned communists or bad capitalists. Small businessmen who operate a store on the street corner are branded as capitalists and small industrials do not even earn in a year what those people make in six months.

That is sheer discrimination and class warfare on the part of some labour leaders in Canada and in the province of Quebec.

Mr. Speaker, I will give no names but I can bring the Minister of Manpower with me to Laval des Rapides and show him the two houses I have just spoken about.

Mr. Speaker, I am not speaking through my hat and the minister knows that everything is not as it should be. It is so true that when he was president of the C.N.T.U., the minister spoke in the same vein as Marcel Pépin, the present president, does now. Mr. Pépin is not happy with Bill No. C-230 whereas the minister who, as president of the C.N.T.U. was trying to ingratiate the workers and wanted politics to be subdued and become the handmaiden of labour, must now, because of cabinet solidarity, accept to recommend a piece of legislation which offers a 6 per cent increase to the nation's railway workers. The minister is aware of that; it is exactly the contrary of what he advocated throughout the province for 25 years. That is what the minister does here today.

[Mr. Caouette.]

Mr. Marchand: I wonder if that is true.

Mr. Caouette: The minister knows it too. He may well look up to see if he has any opposition but it is true.

Mr. Speaker—

[*English*]

Mr. Speaker: Order, please. I should like to direct attention to the fact that there should be no interruption or comment of any kind from people in the galleries if they want to stay in the galleries.

[*Translation*]

Mr. Caouette: Yes, Mr. Speaker, I should like you to repeat in French what you have just said, because the person concerned speaks French very well.

Mr. Speaker: I ask for the co-operation of hon. members to ensure if possible that there is no comment or interruption from the people in the galleries.

Mr. Caouette: Mr. Speaker, some labour leaders spend their time criticizing salaries and profits and in this house, we hear members of the New Democratic Party speak against profits and high salaries but, Mr. Speaker, profits contribute to foster ambition, to promote private enterprise. Without any initiative, there is no progress. When individual initiative is discouraged, instead of going forward, we go backwards. When I hear members of the N.D.P. talk about profits and high salaries, it reminds me of the member for Kootenay West (Mr. Herridge) who does not look like a poor man, and of the member for York South (Mr. Lewis), a prominent lawyer—

[*English*]

Mr. Herridge: Mr. Speaker, I rise on a question of privilege. The hon. member is quoting a myth.

[*Translation*]

Mr. Caouette: Mr. Speaker, that reminds me of the hon. member for York South (Mr. Lewis), a distinguished lawyer of the city of Toronto. Do you honestly believe that the hon. member for York South does not have a better income than the workers of the city of Toronto? It is all very well to speak against profits but the member for York South derives a profit in the practice of his profession. He sells his services; he does not give them free of charge. It is the same for the member for Greenwood (Mr. Brewin) connected with an important firm of distinguished lawyers in Toronto.

It is easy for well-to-do people to tell humble folk: Well, old chap, we will work for you.

• (5:50 p.m.)

We will force the socialist system upon you, a system which will enable you to live properly, under which you will have security and freedom. The freedom in the hands of the government.

Mr. Speaker, we have had some of those solutions proposed by the government. A while ago the leader of the New Democratic Party spoke about Sweden where everyone works, where there are no unemployed, where people do not have the right to strike now.

Mr. Douglas: Oh, never.

Mr. Caouette: In Russia also, people do not have the right to strike. We went there last year.

Mr. Lewis: You do not know.

Mr. Caouette: In Sweden, it is the same, Mr. Speaker. Let the member for York South tell me since when there has been no strike in Sweden. The government intervenes immediately and it is the government which settles strikes in Sweden.

The hon. member for York South knows that.

Mr. Lewis: I do not know that, because it is not true.

Mr. Caouette: In Russia, the present government was organized by union leaders in 1917 through strikes such as those we now have. They led the workers to believe that with a labour government, a government ruled by union leaders, they would get security.

Of course. Everybody works in Russia. The man, the woman, the young people, everybody is working. We went there last year. We saw women driving steam rollers on asphalt in the streets. We saw women coming out of coal mines wearing heavy helmets on their heads. We saw that everybody was working. How many hours a week? After 50 years of administration, 46 hours a week. Not 40 hours as they call for in Canada, not 36 hours, but 46.

Mr. Speaker, in Russia the salary of a skilled worker is not $4 an hour. Not even $2.37 an hour as the railway workers earn at present. A skilled worker earns $100 a month. As for an ordinary worker, he gets between $60 and $65 per month, and not per week. The standard of living, the cost of living over there is much lower than in Canada. You can get an apartment with three rooms for $15 a month—the leader of the N.D.P. was with me in Russia at that time—but we would not live in those apartments.

For instance, food prices are about the same as in Canada. Clothing is more expensive than in Canada. Electrical appliances, refrigerators, television sets, etc. cost twice as much as in Canada.

As for the motor car industry—we went to Czechoslovakia—I asked the vice president how much a small car cost in Czechoslovakia, that is the small Skoda car, made in Czechoslovakia where the wages and labour conditions are the same as in Russia. The Skoda car sells in Canada for $1,700. For $1,700, we can get a Skoda car. In Czechoslovakia, where the Skoda is made, there were 6,000 employees in the shops we visited, the Skoda sells for $6,200. As a worker earns $65 per month you will readily understand, Mr. Speaker, that not too many Skoda cars are seen in Czechoslovakia.

Some hon. Members: Oh, oh.

Mr. Caouette: Bicycles with pedals or even without pedals are seen over there. People walk or use public means of transportation, such as buses which run without a hitch.

In the yard of the Skoda plant, the morning we went there, we saw fewer than 25 cars. I asked the president: How is it that your cars are so expensive here and so cheap in Canada and in America? It is quite easy to understand, he said, we produce for export purposes. And he added: "Here in Czechoslovakia, we do not want people to buy cars, for then we would have to build roads and we have many more important things to do. I

was told this by the vice president of Czechoslovakia, one night, when we were guests at a party given in our honour by the president of Czechoslovakia, in some castle or other.

An hon. Member: A N.D.P. government in Czechoslovakia.

Mr. Caouette: Exactly, an N.D.P. government. Mr. Speaker, these are the systems which the N.D.P. people would like to establish in Canada. We do not want that system. That is the system which some union leaders would like us to have. They would like to take over and become members of the government, just like in Russia, in Czechoslovakia, in Sweden, in Norway, in all those countries. Their standard of living is way below ours. We will be told: Yes, but they are only beginning. Communism has been in existence in Russia for the past 50 years. When we look 50 years back and compare the situation in Canada with that of Russia, we see that the two countries were about even; but after 50 years of administration and development, today I say that we are definitely at least 25 years ahead of Russia with regard to the standard of living. We are ahead of them. We have everything in all our homes—even people who are on welfare here have a better life than workers in Russia. They enjoy more services.

This goes to show, Mr. Speaker, that socialist systems have many things in common. Under such systems the government belittles man at will. Oh, people have security, certainly. When I have a nice little dog in my house, I give it security. I feed it and pet it. I take care of it, but I control its freedom, I am the one who decides when it goes out and when it comes in. That is what they would like to do to the Canadian people.

Mr. Speaker, as I said in my communiqué, that handful of labour leaders consciously or unconsciously play into the hands of the communists; they never strike out against the true cause of the political, economic and social unrest, which is finance. They say nothing about that. When interest rates go up, Claude Jodoin does not say a word. Neither do Marcel Pepin, Mr. Laberge or the former president of the C.N.T.U., the Minister of Manpower. They accept the hike in interest rates. Let the minister go and tell that to his constituents at the next election and we will take care of him, Mr. Speaker. We will remind him of the promises he made during the 25 years; we will recall to his mind how he sacrificed himself and gave of himself during the 25 years. He is not the same man since he has joined the Liberal party. Before, I thought he was a good man but not today, Mr. Speaker. Never do those labour leaders get to the true cause of political, economic and social unrest. As I have said, only the Créditistes offer a genuine solution by starting to put finance at the service of man.

An hon. Member: Through the Bank of Canada.

Mr. Caouette: Surely through the Bank of Canada, Mr. Speaker. I hear the hon. member for Lotbinière (Mr. Choquette)—

Mr. Choquette: Mr. Speaker, may I ask a question? It is because in 1963, I asked the hon. member for Villeneuve a question, as reported in *Hansard* on page 63. At that time, I asked to what extent unemployment would be reduced in Canada if Social Credit were to come to power and he answered: One hundred per cent and I enjoyed his reply very much. I will now ask him, if ever we have a Social Credit government in this country, whether all strikes would be abolished in Canada?

Mr. Caouette: I honestly think so, Mr. Speaker, and I shall tell him why. Because on the day when the purchasing power of individuals in Canada is on a par with the true production in this country, at such time, the income of the citizens will never exceed the production in Canada so that inflation will be impossible. Deflation will also be impossible, because the process will be automatic and as the people produce, income rises and as the people no longer want to produce, income diminishes.

Strikes are contrary to common sense, because production is decreased during a strike, and increased incomes are being sought, which is absolutely illogical.

Now to come back to my line of thought, Mr. Speaker. If the solutions offered by Social Credit do not seem logical, what can be said about the solutions offered under the present system which, year after year, every ten and every 20 years bring up the same problem without ever achieving a settlement? After the railroad strike, there will be another.

What we say is that when the worker is sure to have on hand the money or the credit to purchase the products made by him in Canada, then, Mr. Speaker, strikes will disappear but unions will remain to look after the

security of the workers, to deal with labour problems which, by that time, will not be monetary problems.

The Social Credit solution is a national dividend based upon our wealth and our riches, a dividend distributed to all, so that each and every one will have a purchasing power conformable to production, and then security and freedom will both be guaranteed to each and every one in our country.

• (6:00 p.m.)

[*English*]

Mr. Speaker: When the hon. member for Burnaby-Coquitlam introduced the subamendment the reservation was made by the Minister of Public Works, I understand, that an argument might be made as to the procedure to be adopted in relation to the subamendment.

Mr. Pennell: Mr. Speaker, I propose to raise a point of order centring upon the subamendment moved by the hon. member for Burnaby-Coquitlam. I advance my argument on three fronts.

First, I respectfully invite your attention to citation 389 of Beauchesne, fourth edition. I quote the first sentence:

> A motion opposing the second reading of a bill must not anticipate amendments which may be moved in committee.

If I may go to the proposed subamendment, the first sentence contains the words, "by imposing compulsory arbitration." It is my respectful submission that during the consideration of the bill in committee of the whole it would be open to the hon. member, if he so desired, to move to strike out clause 10(2), which would achieve the purpose now proposed by the amendment. If this citation 389 of Beauchesne, is to have any effect whatever, I respectfully suggest that this would be a classic illustration.

The second ground of my argument is contained in citation 202(3). It reads:

> Since the purpose of a subamendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment—

I do not think I do any violence to the words of the hon. member who moved the subamendment when I say that it is really an extension of the number of reasons advanced by the Leader of the Opposition in moving the amendment. It is in effect an enlargement by a number of new reasons why the bill should not be read. Therefore it comes clearly within the four corners of citation 202(3), to be found at page 169 of Beauchesne, fourth edition.

Finally, Mr. Speaker, it seems to me that the appointment of an administrator would involve a charge upon the treasury and therefore the subamendment cannot be put unless by a member of the treasury benches. For these reasons I respectfully submit that the subamendment is clearly out of order.

Mr. Knowles: Mr. Speaker, may I say a word with respect to the points which have been raised by the Solicitor General. He bases his first argument on citation 389 where reference is made to the fact that on second reading a motion must not anticipate amendments which may be moved in committee. It seems to me, Mr. Speaker, that this is a repetition of the argument that was advanced by the Minister of National Health and Welfare when we were debating the validity of the amendment moved by the Leader of the Opposition.

It was my contention then that on second reading we are dealing with the broad principle of the bill and that if we wished to object to or to modify that basic principle the place to declare that opposition or modification is on second reading. I submit that the arguments which persuaded Your Honour to allow the amendment of the Leader of the Opposition should persuade Your Honour that the subamendment is likewise in order.

If I may put in capsule form what I have been saying thus far, I submit that citation 389 does not take away from the right which is set out in citation 382, namely the right of a member on second reading, when dealing with the principle, to move an amendment declaratory of some principle that should be advanced before we proceed further with the bill.

With respect to the argument of the Solicitor General based on citation 202(3) of Beauchesne, fourth edition, may I re-read the words he read:

> —it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment;—

Even though this subamendment deals with the basic proposition of the amendment, namely, that the bill does not provide an adequate solution of the current impasse, nevertheless the subamendment does what citation 203(3) permits. It deals with matters that are not covered by the amendment. The two matters referred to are, of course, the reference in the bill to compulsory arbitration

and the failure of the bill to deal with the possible appointment of an administrator.

Therefore, Mr. Speaker, I suggest that the very citations which the Solicitor General has relied on are citations not against the validity of the subamendment but rather they support the right of the hon. member for Burnaby-Coquitlam at the second reading stage to add these other matters to this declaration of principle.

Mr. Speaker: I thank hon. members for their advice, guidance and assistance to the Chair. I would first refer to the argument put forward by the Solicitor General. He referred to citation 389, which was advanced earlier in argument today by the Minister of National Health and Welfare, I believe. On this point I am in agreement with the hon. member for Winnipeg North Centre. This argument was found not acceptable earlier today; therefore the precedent having been set I feel bound to follow it.

I would suggest that the second argument is more to the point. Citation 202(3) of Beauchesne, fourth edition, reads:

> Since the purpose of a subamendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of and move a new amendment.

It seems to me on reading the subamendment as proposed that if it means anything it advances something new and suggests a new proposal.

The hon. member for Winnipeg North Centre referred to citation 202(3) of Beauchesne, fourth edition, which is to the effect that the subamendment should deal with matters that are not covered in the amendment. That is so and I accept that proposition. But we must still respect the principle of relevancy as outlined in citation 203(1) of Beauchesne, and even if the subamendment is advancing something new it has to be relevant to the amendment which the subamendment seeks to alter.

For these reasons I think that the proposal advanced by the hon. member for Burnaby-Coquitlam cannot be accepted at this time in the form of a subamendment.

• (6:10 p.m.)

Mr. Knowles: Mr. Speaker, I wonder if I could raise another point of order which has no relation to the ruling you have just made. Perhaps I might address it in the form of a question to the government house leader. Would he be willing to take the sense of the house on whether it might be desirable to take a little time off to eat?

[Mr. Knowles.]

Mr. McIlraith: Yes, Mr. Speaker, that would be quite agreeable. It would be a matter of when we should reconvene.

Mr. Starr: We in this party would be agreeable to that, Mr. Speaker, provided we do not rise at ten o'clock but sit until we complete this legislation.

Mr. Langlois (Mégantic): Mr. Speaker, we are quite agreeable to that. I wish to suggest to the house that we forgo the late show. Tonight there is only one speaker. Instead of going on with the late show, could the house not consider this legislation? I am referring to the bill now before the house. We are agreeable to the proposal to adjourn for dinner.

Mr. McIlraith: Two new points have been raised, Mr. Speaker.

Mr. Starr: We are in favour of both.

Mr. McIlraith: One has to do with the proceedings with respect to oral questions under the motion to adjourn. The government is agreeable to forgoing this until the conclusion of the debate on the railway bill.

On the other point, the representative of the official opposition has suggested that we sit continuously until this bill is finished. That is a pretty tall order. I have no objection to sitting after ten o'clock so that there will be no time lost, but to put the matter in the form in which he wishes to put it might involve a long time. It might involve some days. I have had no information from the opposition groups as to the time they expect to take on the various stages of the bill. If they would modify the form of their request perhaps we could deal with the proposition at ten o'clock, or now.

In any event, the suggestion originally made was that we adjourn for a dinner hour and to that we are quite agreeable. I am also agreeable that we consider the other matter at ten o'clock. It seems to me that the suggestion which has been made is sensible and would permit some hon. colleagues who are directly and immediately involved with relation to this bill to have certain discussions, which they must of necessity have, during the dinner hour. Perhaps it would be a sensible arrangement, and we could consider how late we might sit tonight—

Mr. Hees: Mr. Speaker, with regard to the suggestion that has been made that we sit until the bill is completed I point out that, as the whole country knows, this is a vitally important matter. We are here to deal with a matter where every hour counts. Producers all over the country are being held up by lack of rail shipment. I think the country expects that we continue sitting if we physically can, and I think we can. This party is thoroughly in favour of sitting until this legislation is completed today.

Mr. McIlraith: May I ask the hon. member a question?

Mr. Speaker: Order, please.

Mr. Winkler: Mr. Speaker, surely the crucial nature of the business before us requires us to support the suggestion made by the opposition house leader, the hon. member for Ontario. Unless the government wishes to assure us that it will amend the legislation, I think we should follow his suggestion and sit until the conclusion of the bill.

Mr. McIlraith: Mr. Speaker, I had risen to ask a question of the hon. member for Northumberland. I accept his proposition about the importance of the bill and the legislation. That is why last night I asked his leader to agree to the house continuing to sit for a few minutes after ten o'clock in order that he might conclude his remarks. I was quite mystified when he refused that very modest and reasonable request. I am now a little more mystified to find that the hon. member for Northumberland is at variance with his leader on that very point. In any event, the whip of that party has had his leader move an amendment to defeat the legislation altogether and kill the bill.

Some hon. Members: No, no.

Mr. McIlraith: I just do not understand his now asking to have the bill, which he has just by his amendment sought to have defeated, put through.

Mr. Churchill: You can bring in another one.

Mr. McIlraith: So the remarks of the house leader for the party, which he has made, I think, in a spirit of desiring to get on with the business before us, are difficult to understand in relation to the remarks of his own colleagues in that party. What I should like to return to is—

An hon. Member: You are asking for trouble.

Mr. McIlraith: —the simple proposition whether or not the house wishes to have a short adjournment for the dinner hour. So far as we are concerned we are agreeable to that, and we are quite prepared to deal with the question of how late we should sit tonight and to go along with any reasonable proposition on that score. But it should be something that is responsible and reasonable.

Mr. Starr: In view of the house leader's remarks we withdraw any suggestion that we made previously. We should abide by the rules and sit during the dinner hour.

[*Translation*]

Mr. Caouette: Mr. Speaker, with regard to the point of order raised by the government house leader, he should not be sore at the Leader of the Opposition (Mr. Diefenbaker) who last night wanted to adjourn at ten o'clock because it took him all night to produce the amendment as colorless and insignificant as the one we had this afternoon; I understand him—

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

Mr. Speaker: Order, please. Pursuant to provisional standing order 39A it is my duty to inform the house that the question to be raised at the time of adjournment this evening is the following: the hon. member for Winnipeg North Centre (Mr. Knowles), Canadian Pacific Railway—reported statement respecting pension rights of workers.

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

The house resumed consideration of the motion of Mr. Pearson for the second reading of Bill No. C-230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees, and on the amendment of Mr. Diefenbaker.

Mr. McIlraith: Mr. Speaker, one point perhaps should be clarified with respect to the remarks made a few minutes ago when an hon. member raised a request as to abandoning the right to debate questions on the motion for adjournment at ten o'clock and using that time for debate on the railway bill.

Mr. Starr: No.

Mr. McIlraith: That point got lost in the subsequent discussion.

Mr. Starr: Only because of your remarks.

Mr. Knowles: Mr. Speaker, as the member who has the item posted for the late show, I was prepared to surrender it for tonight if we could come to some agreement about the supper hour. Since the hon. member for Ontario has said that the rules must stand, all right, let the rules stand.

Mr. Starr: I made that statement in view of what the government house leader had said.

An hon. Member: We want justice.

Mr. Starr: What does the hon. member know about justice?

• (6:20 p.m.)

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we have an amendment before the house, the subamendment having been ruled out of order. The subamendment brought out a principle which is very important, one of which we should take cognizance. To have accepted it would have meant taking over the right of railroad management to take part in the negotiations which must continue with the railroad unions looking toward a settlement of this strike. In other words, it would be placing parliament in the position of an arbitrator and I am confident that neither the union leaders nor their membership want this. The door must not be closed to negotiation. When parliament acts it is compulsion, whether we like it or not. I should have thought that the hon. member for Burnaby-Coquitlam (Mr. Douglas), who raised this question, need only look at the situation which exists in Great Britain at the present time and the action taken by the prime minister of that country to find verification of what I have said.

As to the amendment itself, it seems to me it has no other purpose than to do away with the entire legislation which is before us in the form of Bill No. C-230. It would kill the bill. In my opinion this is not the time when such a proposal should even be considered by members of this house.

If there are provisions in this bill which are considered to be unsatisfactory there will be an opportunity to deal with them by amendment in committee of the whole. That is the proper way in which to correct weak points in the measure. Certainly, however, to kill or eliminate the bill which has been presented to us is not a responsible way in which to deal with the crisis which has brought this emergency sitting into being.

Having said this, let me make it clear that we agree there are many faults in the economy and that union members have many legitimate complaints. There are many aspects of this strike which lie, so to speak, beneath the surface, and these can never be dealt with until some of the gross errors affecting the economy have been corrected. Until we have a financial policy which is adequate to care of the economic needs of our country we shall continue to face problems of this kind.

This we admit. But the legislation we are dealing with now, and the reason we are here, concerns the crisis which has been precipitated by the strike action that the railroad unions have taken. To deal with this situation is our first and most important responsibility. That is the number one priority. So let us return to the priorities and deal with them in a positive way remembering that it is the welfare of the nation and the well-being of the economy in general which are involved.

I say again that the immediate crisis which faces the nation centres on the railroad strike. Our jog in parliament is to end that strike and get the railroads running again. It is not our immediate job to conduct an inquiry into the reasons behind the strike or to determine why the strike came about. There will be another time for that.

There is a great deal behind this rail stoppage. Lack of action in the past, poor working conditions and other factors have all contributed. The strike does not reflect any single problem; it is a symptom of something which is much deeper, a problem which the government must recognize and toward the solution of which it must direct its legislative program.

Nevertheless the country cannot be plunged into irretrievable loss and economic chaos while all the rights and wrongs are debated in parliament. The national interest must

come first and the national interest at this time demands the resumption of rail services. This is the first priority, though the other factors to which I have referred are admittedly of great importance. I am merely placing first things first.

These contributing factors, the fringe benefits which are involved as well as the over-all picture of a rapidly rising cost of living, can and must be settled later. Today it is the strike which must be dealt with. To stand before this house for more than half an hour and play to union leaders in the galleries is merely to becloud the issue. Let us return to realities.

The legislation before us makes four basic proposals in this strike emergency which has quickly become a national crisis of the greatest magnitude. First, the railroads are to resume operation immediately this bill becomes law. That is why we are here. Transportation is the lifeblood of a nation and unless transportation is performing its function well the whole economy is sick. Second, an interim wage increase has been set at 4 per cent plus 4 per cent as a basis for negotiation later. This does not set the wages. As I interpret the provision this is merely a guarantee of a minimum floor level which the workers can expect from the negotiations which are to take place. It is not to be arbitration in the first instance; it is to be direct collective bargaining.

Should these negotiations end in agreement on a greater amount, that is what the workers will receive. The provision in the bill represents an assurance that there will be at least a minimum. I am bound to agree with this because it is what Mr. Justice Munroe recommended. He recommended 4 per cent for the first six months, 4 per cent for the second six months, 4 per cent for the third and 6 per cent for the fourth half year period. This legislation refers only to the first year because it is expected that the negotiations which are to continue will take care of the second year. That is exactly what Judge Munroe recommended and to try to deceive the public into believing this is only a 6 per cent increase is wrong. It is a 4 per cent increase plus a 4 per cent increase, exactly what it says.

An hon. Member: What is the average per year?

Mr. Thompson: It averages 6 per cent. But the figure was arrived at in the light of the 18 per cent which was recommended by Mr. Justice Munroe and to say it is less than 8 per cent amounts to misrepresentation. This is a guarantee of an immediate floor, an assurance which is a reasonable one even though it may not meet the demands of the unions.

I say we must face this second point for what it actually is. In the Ottawa *Citizen* of today I notice an editorial which is extremely relevant to this legislation. It states in part:

> The increase proposed in the legislation, at 4 per cent from January 1, and an additional 4 per cent from July 1, is plainly merely a point of departure. It is based on the recommendations of Mr. Justice Munroe, chairman of one of the five boards of conciliation that sat on the railway wage dispute. The government had to start somewhere, for the men have had no increase in almost three years, their last contract having expired on December 31 last. Justice Munroe's proposal was probably as good a starting point as any.

• (6:30 p.m.)

> But that is evidently all it is. The government is not imposing this increase on either the unions or management as the terms of the final settlement. If the government did impose a wage increase, however large, democracy would be on the way to the graveyard.

Therefore it is not the responsibility of parliament to arbitrate and set the terms of the final agreement between management and labour.

> For if the government could decide the level of industrial wages, it could come down on the side of low wages as easily as on the side of high pay. Union members who have felt the government should take more assertive action and impose a wage settlement, ought to think of the power of government to reduce as well as to raise wages.

In that connection I might refer to the action taken by Prime Minister Wilson in freezing wages. That is what he has done.

> Only the processes of collective bargaining, with government intervention kept at a minimum, can protect the democratic rights of workers.

Let us not forget that.

Third, this legislation provides for continuing negotiations, for collective bargaining until at least November 15, a minimum of ten weeks. If we read the legislation carefully we find there is provision within it whereby if the report made at that time indicates that negotiation is going on satisfactorily it can continue even beyond that date. So in the third instance this legislation is providing for the continuation of free negotiations. For the hon. member for Burnaby-Coquitlam to refer continually to this as compulsory arbitration is not correct because compulsory arbitration is something which lies beyond the period of negotiation mentioned in the bill.

In addition to the salary problems there are, as I mentioned yesterday, many other legitimate problems which concern the workers. I am referring to working conditions. Just the other day it was mentioned to me that the cabooses which still are part of freight trains have not yet been equipped with electric lights or toilet equipment. There are many other things which are grievances so far as the workers are concerned and must be considered.

Likewise there is the whole area of allowing for the effects of automation. This should not be part of this bill because it is not the responsibility of parliament to arbitrate in these things. It is part of the negotiations that are continuing and will continue until November 15 and beyond if the results at that time warrant continued negotiation on that basis. But in the event that the results do not a board of arbitration will be set up then whose findings are to be binding.

Free collective bargaining has been the basis of labour-management operations for a long time. It should continue; it must continue. Government's role in the past has been to set rules so that the system would operate fairly and the well-being of the general public would be adequately safeguarded. But the unions and management cannot have it both ways. If they intend to appeal to the government for solutions to their problems—and it is evident that both union leaders and management felt this was necessary—then they must quit paying lip service to free collective bargaining and accept the consequences of compulsory arbitration.

The field of industrial relations is the area in which the government has a new role to play in setting up conditions under which the fruits of automation will be more equitably spread across the nation. Automation has increased productivity tremendously in the production industries. The result is that for the first time we have the money and the manpower to undertake great new developments in the social and cultural fields.

Government does have a responsibility to make sure that this takes place. That is why the suggestion made the other day by the Minister of Labour (Mr. Nicholson), one which I believe should have come from the government a long time ago, that a labour study commission should be set up is a step in the right direction. There also needs to be a study made of each particular industry to allow labour and management to plan in advance for the changes that are coming.

This is why government does have a definite responsibility in industrial labour relations to bring about consultation in a way which we have not yet seen. Government has this responsibility and it applies not only to the situation on the railways but in the whole transportation industry. Government also has the responsibility in connection with its own legislation to bring together the various aspects of management and technical development in order that we can plan to meet the problems that are inevitable in the future and thus anticipate them rather than being forced into a situation like that in which we are at the present time of having to deal with a crisis that involves the economic well-being of the entire nation.

In this regard I would state that perhaps Bill No. C-230 could have been better worded. There has been some lack of explanation and it requires rewording in some places. The 4 per cent plus 4 per cent formula should have been amplified and explained. There should have been some reference or assurance regarding provision for the results of automation and the government's responsibility in bringing industry and labour together.

I also think there should have been some reference in the legislation to amending the Industrial Relations and Disputes Investigation Act, particularly with regard to broader use of the job security fund which was established in 1962. Further, some reference could well have been made to Judge Little's report, a very important report which demonstrates with clarity many of the things that the C.N.R. is already doing in anticipation of future developments.

Yesterday the Prime Minister gave an explanation of why a 30 per cent settlement was justified in the case of the seaway workers and the Quebec longshoremen. Why did he not give it when the settlements were made? Why was there not some reference to it in the television appearance which he made a few nights ago? If this explanation had been given it would have been easy for the labour unions to understand and realize what they felt they were seeking as their just desserts as the result of previous settlements.

Why was there not some mention made of the need for a work stabilization agreement? If the details of fringe benefits are not the job of parliament then neither are the details of working out these things to which I have

just referred. Likewise I believe there should have been some mention made in the bill, although it is not our responsibility to work out or implement the details, of the government's intention to deal with the problems of inflation. No one can deny that Canada is heading into a critical inflationary period much faster than is the case in the United States. I think the unions will agree with management and with all of us that we cannot continue as we are.

Let us stop for a few minutes and look at the air lines settlement in the United States which was on a 4.9 per cent basis. There was a great hue and cry in the United States because this was higher than the general increase in the productivity of that country, which is taking place at the rate of about 3.2 per cent, not too different from what it is in Canada. But then it was explained that the airlines has gone ahead at a faster rate of expansion, something on the average of 6 per cent, and that 4.9 per cent as a wage increase was a reasonable, intermediate figure.

With reference to wage increases in this dispute I would point out that it is not the profits of the C.N.R. and the C.P.R. which are going to pay for them. They will come out of the pocketbooks of the taxpayers and consumers, and that includes the union workers as well. We must deal with this thing in a rational way.

• (6:40 p.m.)

Management has a responsibility, one which it has not lived up to, so far as the union workers and the general economy are concerned. But again it is not just the wages of labourers nor is it just the profits of management with which we are concerned; it is the cost of living which involves the persons in every household and every taxpayer in the country. I believe it is a basic rule of modern economics that the general scale of wage increases must not exceed the growth of the rate of productivity. The rate of productivity in Canada this past year has averaged nearly 5 per cent. In the United States the projected long-term trend average has been calculated at about 3.2 per cent.

If the cost of living is going up it is reasonable and fair that wages and pensions for those on fixed incomes should go up. This is one of the problems we face in adjusting a forward movement with some kind of harmony so far as the economy and living standards are concerned. Again it is a lesson to us, so far as this strike is concerned, to look at the basis of the strike settlement in the United States in terms of the long-range projected trend with relation to the expansion of productivity.

So long as the cost of living goes up and the purchasing power of the dollar goes down it is inevitable that wages will increase correspondingly. If they do not, then living standards must decline. However, in this instance it is imperative that this wage increase not proceed in any one area or in the general area at a more rapid rate than the productivity of the economy. This morning we read in the press that according to the present trend in Canada wage increases are moving ahead at about double the rate of the productivity growth in the country. This is something to consider when we look at the over-all picture.

Again I mention these things because they apply to the over-all picture and the secondary legislation more particularly. In the first legislation which is before us at the present time we are charged with the responsibility of dealing with the national crisis which centres around the strike. I would suggest to members of this house that it is our responsibility to deal first with the crisis and then discuss these other things. It is imperative that the government present its policies to deal effectively with the inflationary trend and the increasing cost of living. It is imperative that the government take the initiative in bringing labour and management together in a new era of industrial labour relationships. Without this we cannot face the problems which undoubtedly are ahead of us and which we can see across the threshold.

I come back to the point that at this particular moment we are dealing with strike legislation. We have it before us in Bill C-230. I think it is our responsibility to face up to the fact that this emergency demands a cessation of the strike—it cannot continue—and a full opportunity for future negotiation for the benefit of the workers involved in the light of their needs and the ability of the economy. It should not be considered the responsibility of parliament to act as arbitrators except to see that in respect of working groups in other areas there is a settlement similar to that arrived at in respect of the working members of the railroad industry.

I suggest, Mr. Speaker, that compulsory arbitration as mentioned in the last part of this bill is something which is only a last resort. It is not a club; it is an assurance which must be given to the Canadian people that if necessary this matter will be dealt with by arbitration if the negotiations which

are to continue do not come to a satisfactory conclusion. Let us leave it at that and deal with this legislation.

• (6:50 p.m.)

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, with regard to Bill C-230, to which the Conservative party has seen fit to move an amendment, I would like to say a few words.

When I was called back here, Mr. Speaker, like all other members of this house, I came to Ottawa with a feeling of increased responsibility because we were faced with an emergency. In the first few minutes of yesterday afternoon's sitting, I think I noticed in most of my colleagues that feeling which made the atmosphere a little dramatic and I was very happy to hear, in the first remarks made, that desire of most of the leaders of the various parties, the various groups in this house, to do the impossible to expedite the settlement of that strike which is so costly for the Canadian economy.

And I naïvely thought—I confess that I have learned something and I still have much to learn—that with all that goodwill, the strike would be settled within 24 hours after which we would set ourselves to modernize the railway act, to deal with the increase in the cost of living and to provide for all the other urgent needs of Canada.

But in the course of the afternoon, Mr. Speaker, I had to sing a different tune when I saw the leader of the N.D.P. (Mr. Douglas) for instance ask for the adjournment until this afternoon, a proposal that seemed totally illogical to me but which could be explained by the fact that N.D.P. members had to hear their master's voice, the financial backer, in the circumstances.

In my opinion, in the face of such an urgent problem, our masters, the masters of members of parliament, are all the citizens of Canada. There are 20 million Canadian citizens who expect us to settle as soon as possible this strike which proves disastrous for our economy. Consequently, every hour counts.

Last night I was also surprised to see that the Leader of the Opposition refused to carry on with his remarks. There may have been extenuating circumstances in his case. I think I noticed that he remained late in his office last night. Perhaps he wanted to examine a little more thoroughly the implications of this bill. It may also be that he wanted to go through the newspaper headlines this morning, for he likes to try the government with editorials from various papers. However, I do not believe that our editorial writers, though I respect them, are endowed with infallibility or have been entrusted with the administration of the country.

I believe this matter is in the hands of the government, and if the government fails, then the electors will have their say at the next election.

Mr. Speaker, these dilatory measures, this waste of time, while workers are forced to remain idle and suffer all kinds of hardships —indeed some railway strikers will not get this week's salary which they badly need— was a shock to me. I was scandalized to see that some members wished to hold up the debate for all kinds of reasons which do not appear to be very serious.

And I would like to add this, Mr. Speaker. I am making these remarks while fully conscious that I represent a working man's constituency, one of the larger labour ridings, and at least until the next election—one of the largest working class constituencies in Canada. I am also fully conscious of the fact that the workers gave me their support at the last election. We have some six or seven thousand workers, members of labour or trade unions; they did not vote for the N.D.P., but for the independent candidate.

So, I believe it is my duty to speak on their behalf. I think I know them because I have been associated with them for the past 20 years and I would like it to be borne in mind that I shall make these few remarks in the light of this awareness of my responsibility toward my workers. I shall be brief.

Mr. Speaker, I am not one of those who wish to defend representatives of the railways. Like many others, like most of the members in this house, I have witnessed their arrogance and greed, sanctioned by the govvernment, through which they have milked every last cent and through which they want to keep for themselves whatever is paying without giving the Canadian people services equal to those they have received from them. I know that. But I do not think this is the time to discuss that question. We shall have the opportunity of discussing it in detail when we consider the second bill and I shall make it my duty to support any member of this house who seeks to criticize the railways fairly and rightly for their deficiencies.

I am one of those who know that a great number of railway workers are not treated

fairly by those companies. I am one of those who have seen the dilapidated condition of railway stations which look more like shacks than anything else. I am one of those who have witnessed the disgraceful treatment to which are submitted certain employees who work, for instance, on new runs and who are housed in filthy box cars where the blankets are only washed every five or six months, where the people lack the basic sanitary necessities.

However, this is not the proper time, I think, to discuss that point. I am one of those also who thought the government was long in dealing with this problem. I was not aware of all the details, I admit, and if the last reports were not received by the government before August 22, it was perhaps difficult to intervene directly in this dispute.

I feel that the two old-line parties, Conservatives and Liberals, should acknowledge their wrongs. There does not exist in Canada a process likely to promote better relations between management and labour and to prevent a new outbreak of disastrous strikes such as we are now experiencing.

But I feel it is not time yet to settle this matter. We may be able to settle it later, but we are now faced with an emergency. I, like everybody else, know that the present inflation is absolutely unbearable and inadmissible, that the cost of living is fast increasing and that the governments must at all costs take drastic measures to prevent such an increase.

Mr. Speaker, I believe this is not the time to settle the question, since those who use these arguments are only confusing the situation and using of dilatory measures to prevent the government from settling the matter which is urgent and may prove disastrous.

Mr. Speaker, this reminds me of some of those witch doctors in certain tribes who, on pretext of curing a sick person start by burning various parts of his body, then beat him cruelly, sometimes even bleed him white, and drive him completely mad with an unbearable racket. More often than not the poor devil dies of exhaustion and misery.

Well, I believe that instead of giving the ailing Canadian economy a similar treatment, we should locate the abcess and drain it as soon as possible to prevent the infection from spreading. When this is done we will be in a position to take overall measures to solve all the problems put forward.

Mr. Speaker, I am also one of those who deplores, as has been done a little this afternoon, the cynicism of certain labour leaders who advise their membership to flaunt the law, directly or indirectly, who already encourage them to break the law Parliament will adopt, if it is adopted by Parliament. I feel, Mr. Speaker, that it should not be allowed, it is not showing a truly Canadian spirit.

I am surprised to observe that some members of the opposition wanted to make the most of this emergency situation which, to my mind, should require all men of goodwill to unite in this national emergency which everyone recognizes and I believe that a large number could have refrained from comments or from petty politics pure and simple. The common good at stake seems to have been overlooked, Mr. Speaker.

But I think we should adopt this Government bill, even though it is not perfect, because there is nothing perfect in this world. Now, we have to take measures. Had we voted for the amendment of the Leader of the Opposition, to all practical purposes, it would have resulted in the rejection of the government bill and would have caused a further delay of a week or two. Think what this would mean to the economy of Canada.

Mr. Speaker, I believe everyone should realize that this is a national emergency. Every one should realize that 20 million people are sending us an S.O.S. to please settle this strike which will affect every area of the Canadian economy.

I think everyone should realize that even the juvenile labour camps now on strike are anxious to find acceptable company but they are not anxious to remain two or three weeks idle and without getting their regular salary.

I think that the compromise proposed by the government is acceptable, though not perfect. It provides for a temporary increase, a small one I know, but which will undoubtedly be raised when the whole machinery of this bill has been put into force. Again, the government orders the parties to negotiate. Therefore, the government cannot be accused of imposing compulsory arbitration. And the government is submitting to us at the same time a second bill which, even though we have not studied it in depth, looks as if it might help solve problems in the railway crisis which is facing us right now, and the government has provided that, in case of non-agreement, there would be compulsory

arbitration. Objection is taken to compulsory arbitration and yet, Mr. Speaker, in all fields of endeavour, we turn to compulsory arbitration. When we do not agree, we call on courts of law and accept verdicts. We have to. It is accepted at all levels of society; why would it not be accepted in the labour field, especially when the Commonwealth is concerned, when it has to do with strikes which affect the economy of a whole country and when things have come to such a deadlock that the parties cannot agree.

Otherwise, who will propose the solution, who will find the formula of agreement? I think that in such circumstances the government must assume its responsibilities, adopt measures which, though they may seem drastic, are hoped for today by the Canadian people.

I think that throughout Canada people are getting ready to condemn those who have wasted the time of parliament since it started its deliberations, those who did not understand that it was an emergency situation which might be disastrous. I think I just said that all Canadians are sending to the Canadian parliament an S.O.S. which should be heard by all. And here we take advantage of that situation to indulge in political partisanship, to create difficulties for the government. We will have contributed a little more, Mr. Speaker, to reduce the respect which the people feel for the Canadian parliament, the respect it should have. Otherwise where are we going, Mr. Speaker?

Therefore, I would like to call on the goodwill of all my colleagues and ask them to listen carefully to the voices coming from their ridings. Let them feel the necessity of taking immediate steps to end that strike and to enable those workers, who are on strike and who will not get their regular weekly salaries, to get them as soon as possible under reasonable conditions. I think that the government is giving them reasonable guarantees, and if the government does not keep its word, we will have all the time needed to blame it and to make it clear how it failed to keep its word, Mr. Speaker.

• (7:00 p.m.)

For the time being we must agree to a sacred union and place our confidence in the government, vote them their bill to bring the strike to an end and then, tackle all the gaps and deficiencies in our labour legislation; we will grapple precisely with that problem of the increase in the cost of living. We will tackle all the major problems submitted to the house since yesterday afternoon.

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, we have before us a bill calling for the return to work as soon as the legislation is passed, an increase in wages of 16 per cent for two years and compulsory arbitration. I do not intend in my remarks to take the tone taken during this debate by some hon. members who worked hard at setting forth a list of grievances concerning either the slowness of the present government or the 1960 Act which prevented the railway strike, or the 1950 measure bringing to an end a first general railway strike.

What counts, Mr. Speaker, is that we must not get bogged down in the winding paths of yester year, but rather look to the present and consider for the future more efficient structures and legislations in the field of labour and economy. As far as the recent dockers strike, the present railway strike and a possible postman strike in the fall are concerned, it is obvious that we must improve labour legislation, and administrative and judicial organizations. Bill No. C-230 before us sets forth three main purposes:

First, suspension of the rail strike; second, interim wage increase of 16 per cent over two years, for the railwaymen; and finally, compulsory arbitration. During the time at my disposal, I wish to elaborate a little on the bill's triple objective.

The first objective: suspension of the railway strike. Striking is not the normal means of establishing social justice, We must hope that another social measure will take away, as in the case of war, all reasons for its existence. Whether it be a classical strike, as is the present railway strike, a sit-down strike, a management strike, warning strike, slow-down strike, political strike, revolutionary strike, professional or sympathy strike, whether it be any kind of strike. A strike must be used as a last resort with due regard to social justice and Christian charity.

The state may intervene in a strike as protector of the common good. It is true that the wage-earner owns his job. If the wage-earner, by going on strike, decides to temporarily withdraw his services and if the state intervenes to force the wage-earner into going back to work, the state is legislating on a right of ownership, on an actual right belonging to the wage-earner, I agree.

Moreover, the Canadian Bill of Rights establishes the Canadian citizen's fundamental freedoms and his right to ownership.

Must we, for this reason, believe that the state, the federal government or the central government in this case, cannot suspend the right to strike?

The government may, by exception, legislate on this right of ownership if the commonweal makes it imperative and if there is no adequate legislation, adequate tribunals and organizations of balance.

But the government must bear full responsibility for its exceptional intervention, because who is to blame if there is no adequate legislation or tribunals. It is not the fault of wage-earners nor of management. But the responsibility is with the government and the legislators that we are.

In the case with which we are concerned, the present and former governments and the legislators who preceded this government did not create the legislation, the tribunals and the organizations that we require. And that is why, as far as those who have been holding a seat in this chamber for some time are concerned, we are all guilty. We are all responsible for the present situation.

Let us stop putting on one side of the house all the accusations or all the blame. Rather, let us have a better understanding of our great role as legislators. That is the main reason for our presence in this Canadian parliament, to do our main job, as legislators, as the makers of laws, solely for the commonweal and for the disappearance of all social and economic grievances. Let us start immediately to set up the law courts, the legislation and the organizations required.

Is the strike in the public services a move that is consistent with the human and Christian common sense or, if you like, with ethics, since the latter word implies human common sense and Christian common sense. I believe so, Mr. Speaker, every time that it meets the five conditions of the fair strike.

Those five conditions are as follows:

First, exhausting all the effective and existing peaceful means; second, the pursuit of very serious advantages; the third condition of a fair strike is that the advantages sought must be greater than the disadvantages caused; the fourth condition of a fair strike is a serious hope to win; fifth, the use of honest means in the course of the dispute.

Let us make a few comments on this first condition of a fair strike in the public services, namely the exhausting of all existing and effective peaceful means. We know what the peaceful means are: direct negotiation, conciliation, mediation and arbitration.

These are also the requirements to make these measures effective in promoting justice and preventing strikes. A progressive labour law is also necessary.

Those who spoke today have perhaps not stressed enough the gaps in our labour laws. Second, we need competence. Third, we must have impartiality and, finally, more expeditious procedures. Conciliation and arbitration procedures must be improved so that, in settling the different disputes, they may help labour laws to become more progressive as quickly as possible. Otherwise strikes or lock-outs must be allowed to settle conciliation cases, and arbitration will be unable to solve anything, for lack of adequate rules.

In a sense a strike, as we can see in this railway strike, can in its own way hurry the evolution of the labour laws which will finally lead to the elimination of the strike itself.

Employer and employee problems involve many legal angles: natural and positive laws, economic and sociological laws. A mediator or the chairman of an arbitration board who may be competent in one of these fields needs expert counsel in other fields. He should be able, legally and financially, to engage the services of experts according to his needs. This co-operation of competent men would help the evolution of labour laws and produce a greater confidence between the parties and the public.

With regard to impartiality, the separation of the judiciary from the executive and legislative powers should be maintained. A minister of the Crown representing, more or less in the case before us, the employer, that is the railways, cannot be appointed mediator or chairman of an arbitration board.

As to the pursuit of most serious objectives, let us say that the stake involved must be a very great injustice to correct. And, as for the third requirement of a just strike, that the benefits should be greater than the disadvantages, as far as a public utilities strike is concerned, it may be that benefits can be greater than the disadvantages, but such a balance is difficult to achieve in public utilities. It all depends on the character of the public utilities involved. For some people, such benefits will possibly never equal the disadvantages. The union may reduce hardship by allowing certain essential services to be maintained, by resorting to partial strikes rather than to total strike.

As to the fourth requirement of a just strike, the reasonable hope of winning it, let us say that this is a question of common sense. In public utilities, the hope of winning is almost a certainty as far as the unions are concerned because they represent an extraordinary pressure group while the people cannot long be deprived of essential services. But in regard to such pressure, the unions are taking on a heavy responsibility—the people must be spared excessive hardship—true, the unions have some rights, but the people also have rights which can be summed up in the right to essential services.

Public opinion has a major role to play and it may happen that a series of strikes will arouse public opinion in such a way that the people will clamour for legislation to restrict the right to strike. On the other hand, public opinion would be in sympathy with the unions if they were refused truly efficient arbitration to give them full justice.

Where does the responsibility lie for this railroad strike? I do not wish to belabour the point but let us say in brief that to my mind, it is the present federal government and the railroad, indirectly, as I observed at the beginning of my remarks, the previous governments also share in the responsibility, as well as the previous legislators and the labour unions.

• (7:10 p.m.)

The right hon. Prime Minister (Mr. Pearson) has failed, in the present dispute, to take his responsibilities either in calling parliament before the strike, or in appointing sooner a mediator without ties to the executive, that is to say, in the present case, the Minister of Labour (Mr. Nicholson) who acted as mediator between the employers and the unions while the employers are in a certain sense, related to the government, to the executive; well the mediator could not be considered by both parties, at least by the employees, as a competent mediator, as a mediator capable of looking at the problems objectively and impartially.

Since 1963, the present government and the Prime Minister should have acted to implement several recommendations in the MacPherson and Freedman reports. They should have acted since 1963. As the hon. member for Villeneuve (Mr. Caouette) noted this afternoon, we are stifled here in the lap of the federal government, by quantities of reports. Let us take the case of the railroad dispute or the problems of railroad transportation in Canada. It is not a new dispute. We received the last report in 1962 and before that, the two previous ones of the MacPherson Commission for the formulation of a railway policy in Canada. Well, the present official opposition was able to look into the recommendations and study for at least one year, if not more, the first reports, but no legislation was introduced. I understand that at the time the official opposition did not have as much time as the present government, then in the opposition, which came to the fore when those reports were submitted and has governed the country for the last three years. It is fantastic to say and a real shame to note that the persons responsible as legislators of the country have not introduced any legislation to implement the recommendations of the MacPherson Commission or some of them.

Therefore, the second bill tabled yesterday by the Prime Minister is more than four years late. During the nine months of negotiations previous to the present railway strike, the Prime Minister should have followed more closely and alertly the development of the dispute.

How disappointing are the answers obtained to the various questions we put in this house, to the government, to the Prime Minister and to most other ministers. There are some exceptions, because today I got an excellent reply from the Minister of Manpower and Immigration (Mr. Marchand) when he gave me the assurance he would look into the 178 cases of injustice in the employment service and that in every case the person involved would be granted a personal interview.

This is a positive answer, a grievance faced squarely which will be redressed without delay. Not later than yesterday I put a question to the Prime Minister. I asked him to tell the house whether he intended to take immediate action to settle the dispute which threatens to bring about most certainly a strike of postal workers on October 18.

That is an impending thing, which is on the threshold of Canadian economy. And again, the right hon. Prime Minister stood up, charming as ever—he always has a very diplomatic and flexible answer, he is conversant with the situation—and answered me that he wanted to analyse the matter and consult with the Postmaster General (Mr. Côté). Well, that is the kind of questions that, during the nine months of negotiations, the hon. members directed to the Prime Minister and to other ministers of the present government concerning the impending railway strike, and

we were receiving the same evasive, the same irresponsible answers.

I think the Canadian people have had enough of those ways of administering the country, of that trend given to Canadian politics and the economy. We want action and frankness not only in words but in action, we want the government and public men to grapple directly with problems and to take efficient measures so as to arrive at a settlement before the mountain brings forth all its grievances and all its uneasiness.

The railway companies also, Mr. Speaker, have not assumed all their responsibilities, because they did not offer definite wages and labour conditions, leaving to the central government the burden of paying the bill, of showing imagination and leadership. That is why in that conflict, at the table of negotiations, the ghost presence of the central government could be felt.

In the face of that situation, considering the discussion on the strike in general, on the strike in the public services, the principles connected with the railway strike which must be settled rapidly, as a result of those considerations, it is in order to suggest a few reforms in the part we must play as legislators. That is our main function here in this parliament. We are not here to multiply political partisanships. We are not here to bring up like popcorn being made the positions taken by a political party when in the opposition if it takes the opposite position when in power. We are here to legislate and, in the field of labour, it is urgent, Mr. Speaker, to bring forth reforms.

I want to submit to the attention of this house a few reforms and I would greatly appreciate it if the government would consider them with all the other recommendations and judicious suggestions submitted by other members during the present debate.

First, it is urgent to set up an adequate labour legislation. Second, we need labour-management courts able to decide fairly with regard to professional conflicts.

Third, until we get that appropriate legislation and those labour-management courts, we must leave management and labour free to exercise their defence rights, namely the right to strike or appeal.

In addition, in the process of evolution, civil conflicts are settled today by the courts, whereas at the beginning of the world individuals took justice into their own hands. In the era of the cavemen, if another man stole his neighbour's cattle, there were no courts. The offended party took justice into his own hands: the right to own things. And that right goes with the right to defend oneself and that right must be exercised until the day when appropriate legislation and courts exist. Then the exercise of that right of defence in civil and criminal matters is given to the duly constituted courts which we have today.

That is why I say that the right to strike or lockout is temporary until we have adequate legislation and courts. It is false to think that the right to strike in itself or the lockout is absolute, eternal and unlimited. The responsibility falls on the state and on us legislators to create legislation and labour-management courts.

It is also incumbent on the state to promote the creation of organizations which will create a balance in the economic and social fields between the state, management and labour.

Here is my fourth reform or suggestion. I propose the setting up of a wisemen court which a national management confederation and a general labour confederation should put to work. I am thinking in particular of an organization similar to the labour market commission in Sweden.

That organization which we could set up should take into account our Canadian and constitutional characteristics. Mr. Speaker, this afternoon a few allusions were made to Sweden. I am not talking at all about the political system, socialist or otherwise, of Sweden.

But when we look squarely at the problems, we can take good ideas in every country and every political creed. We can take an idea or a structure which gave excellent results for the common good of a country without for all that accepting the philosophy or political theories of the Swedish government, since that one was mentioned this afternoon, if it is really a socialist government.

There is a wisemen court there which is called the labour market commission. It was created in 1937 between a national management confederation and a national labour confederation.

And I reach this point to say, as I pointed out a while ago, that in this dispute the unions also have some responsibilities, as well as the employers, the management, in Canada. At this time, in the dispute we are facing eight railway companies; on the other hand, we have 16 or 18 unions formed into

four union groups. Then, how can we reach solutions with so much division. Well, I believe that Sweden sets an example for many countries, even for Canada. The management, the employers, got together into a national confederation, and the unions forgot their differences, their local or regional peculiarities and grouped together to consider the wider problems in a national trade unions confederation.

• (7:20 p.m.)

And the two organizations of both confederations met and established a basic agreement which has enabled them, since 1937, to set the labour disputes. And thus, since 1937, Sweden has had no strikes. Whether the government of that country be communist, socialist, or capitalist, we have there a wonderful idea which has been applied and I would appreciate it very much if the government and, mainly the management parties and the unions, instead of fighting so much, instead of acting in such an individualistic way would seek to pool their interests. We would have both levels of interest on a national level, with capital and labour meeting together and setting out standards in an agreement as was done in Sweden.

We could also consider renovating here, for instance, in Canada, if it took too long for the good faith of the Canadian labour and management to achieve this organization, the National Labour Relations Board and have it play a similar role.

It is absolutely necessary that there should be established, between management and labour in Canada, permanent structures which would enable them to achieve their goal, to promote better social and economic balance, and to make a contribution to the achievement of the commonweal. And in this fourth reform that I suggest, Mr. Speaker, I would see very favourably the government, in turn, co-operate with the provinces and establish an organization of experts who would analyse eventual disputes, which we can see coming, and who would then keep people informed.

Oh, how Canada lacks objective organizations which would be backed and encouraged by the government and which would comprise university professors, experts in economics, actuaries, experts in industrial relations and in the taxation areas, that is groups of perhaps 12 persons, who would work in co-operation with the provinces as soon as a dispute could be seen in the offing. Those experts would closely consider the question, make a quick assessment of the causes and the unrest and suggest the remedies and then make sure, as an organization, to publicize it throughout the country through television radio and the newspapers.

During conversations I had in a bus—I was going to say in a train, but there are not any for some hours to come—and on the street here, in Ottawa, and elsewhere, I asked several people this point-blank question: What do you think, sir or madam, of the strike—What would you suggest about the railway strike in Canada? Some would have no opinion, others would express very superficial opinions. We do not have the advantage of such an organization.

I know that some members will say that we have the Economic Council of Canada, others are going to say that we have the Quebec economic planning council and, in Ontario, another body along the same line. But the gap is precisely there. We have at the central government an economic planning council working alone and often without correlation as regards the economic planning councils of the provinces. What we need is for an organization to co-operate with the provinces so as to forestall such conflicts. As second point of my remarks, I wanted to deal with the second aspect of this bill, that is, the salary increase.

As mentioned in section 6, the provisional contract provides for 8 per cent a year for two years, that is, 16 per cent.

Mr. Speaker, I feel it does not rest with the state to set salary rates in a system of free enterprise. I realize that the government is in a tight corner and has to settle the matter without delay.

That is why, in the face of this nation-wide crisis, I shall vote for the bill. But I am taking the liberty of pointing out that it is not incumbent on the federal government to determine salary rates in a system of free enterprise. Such rates should be decided upon by the immediate employer and the union representatives.

Another point is this. That government and parliament be conscious of the common good and refrain from pursuing electoral goals. I do not know what was the intention of the present federal government in inserting in this bill an increase of salary amounting to 8 per cent; I wonder also on what basis such an 8 per cent increase was arrived at. If I refer to the recent statements made by the right hon. Prime Minister (Mr. Pearson), I find that this second indication in the bill is

entirely contrary to his warnings about moderation and inflation. If the right hon. Prime Minister and his experts and advisers are really in a position to decide honestly and objectively that the economic and financial situation of the country has reached a point where—the mean salary in the country being, as for the railway workers, $2.20 per hour—in the face of inflation, we should practice moderation and tighten our belts, then a special budget for next fall should be prepared which would increase taxes and add a few more holes in the belt in order that the Canadian taxpayer may feel the pinch since we are living in an inflated economy. If these words were pronounced in all fairness and sincerity, how is it then that a few days later a bill is introduced by the same federal government, which has no jurisdiction on salary standards, announcing an increase of salary in that very bill?

For instance, it would be very amusing, in case the conflict is referred to the arbitration board, if it were decided by the members of the board that the salaries being what they were are corrected to such an extent. This increase appearing in the bill is very amusing. And it would be very amusing, if in the next debate that the right hon. Prime Minister has promised to us on the problems of inflation, and on the increase in the cost of living, it were established after due consideration and an extended debate, that, when some national average is reached, salaries must be frozen. It would be appropriate, however, to permit increase, that is, not to fix a limit for workers earning less than $1.93 per hour in Canada as is the case for the textile workers at Sherbrooke and in important Quebec cities, whose basic rate is $1.18 to $1.59 per hour. These workers are really far from the average rate prevailing in industry in the country, which is $1.93, if I am not mistaken; but with the railways we see already that this average is $2.20. And this is why I say that I will nevertheless vote in favour of the bill, because the situation is desperate; however, I do not approve of this, in other legislation where we could take the time to introduce amendments if we were not facing a national crisis, where the government must determine wages, while this is not its responsibility. This is providing an arbitration procedure before the conclusions are arrived at on the causes of the conflict.

Finally Mr. Speaker, I would like to make a few remarks on this third objective of the bill concerning compulsory arbitration. This is an exceptional and emergency measure under the circumstances, and consequently not perfect.

• (7.30 p.m.)

We have seen in the past, and hon. members mentioned it, labour leaders who, on many occasions, and over the last few days, have voiced grievances against some arbitration boards in general because they have failed, have not studied seriously the problems; it is true—for those who have followed the whole evolution of arbitration boards—often because political friends or greatly incompetent people were appointed, men who knew nothing about industrial techniques, labour-management relations, people who had no idea of economics and finance, taxation and social and economic problems. Such men were appointed there because they were friends and because they had influence, not because of their intelligence and judgment, but rather because of the roundness of their abdomen.

I agree with the hon. members who submitted grievances; it is because those arbitration boards failed in their duty, because their members showed themselves to be incompetent; it does not mean that the institution is not worthy or is basically faulty; far from it and I admit that under the circumstances it is an organization which must be accepted, a special body, and that the government however, if need be, will give us competent, objective and impartial arbitrators.

The arbitrators should be experts and not members of the government or parliament, to repeat what I pointed out at the beginning of my remarks, in order always to make a distinction between the executive, the judiciary and the legislative. The arbitrator should give his decision within a limited time.

I noticed in the bill that the whole thing is to go on through mediation until November 15 and that the mediator must report to the Minister of Labour who afterwards must set up an arbitration board. But no time limit is set, unless I am mistaken and do not understand the wording of the bill. We should find in the bill—and I hope that when it is studied in committee, the government will agree to amend that clause so that a time limit is set for the arbitrators to render their decision; of course, there is a deadline with regard to the arbitrator's decision; it must be given within five days to parliament, then parliament must submit it to the session within the five days which will follow a new session but how long are the arbitrators given, if the matter goes

that far, to take a decision? Can they postpone it for two years? Can they let the matter drag on for three years? Well, if the government can give me some assurance as to the wording, I cannot find any provision requiring the arbitrators to make a decision in a given time. I would appreciate it very much if a time limit were set for the arbitrators to hold their discussions and submit their report.

Also, the arbitrators should have the legal and financial capacity and secure advisers. Of course, it will perhaps be pointed out to me that this is not authorized by all the acts referred to in this piece of legislation. If it is impossible to proceed directly, indirect means should be sought. Three arbitrators could be appointed but it could happen that only one who would know all about transportation matters; but, not being an actuary, perhaps he would not be able to work out the calculations. He could have the legal and financial capacity of an actuary who could figure out the total cost of granting such a salary increase or of bringing about such and such results within the Canadian economy.

Mr. Ovide Laflamme (Québec-Montmorency): Mr. Speaker, I only wish to take a few minutes to give the impressions which I was able to gather from the strikers in my riding during an informative meeting I held last night, and also to make a few remarks which I think appropriate concerning the bill now under consideration in this house.

On the one hand, the general impression I got from the strikers I met convinced me beyond doubt that they had no understanding whatsoever of the meaning of the bill under consideration, because they believed that it actually dealt with the salaries of the railway workers.

In my opinion, this bill—and I believe the salary question is a minor one—deals with only two essential and important points. First, the return to work of the railwaymen, because the strike must end at all costs; second, the resumption of negotiations through a process established in the bill. Thus, the government, in settling the problem of the strike which, of course, must end, was anxious to protect, in spite of everyone and even, I submit, against some members of the opposition and especially the N.D.P., the freedom of collective bargaining, even in the field of the public service. On that point, I believe that all Canadian workers presently on strike must understand me.

[Mr. Allard.]

At the present time the Canadian government has taken care to protect the freedom of collective bargaining, even in the field of public service and railway transportation. Negotiations, of course, provide for a return to work, a sort of sit-down strike, and a salary increase which seems small; however, I believe this is not very important at present since, under this bill, the Minister of Labour (Mr. Nicholson) will appoint a mediator who will report before two months and a half have elapsed; and consequently, if we are not here, and so that the problem does not have to be brought before parliament, there is a provision for compulsory arbitration because the situation naturally has to come to an end. And even then, the present government, which seeks to respect the freedom of negotiations and, in the public field, the freedom of debate, provides that ten members of parliament may, at the time the arbitrators' decision is handed down, raise the question again in the house to criticize or stress the weaknesses of the decision or, finally, to voice the feelings of workers who could be disatisfied with the conditions imposed in the decision.

But, Mr. Speaker, I really wonder if the Leader of the Opposition (Mr. Diefenbaker) has, in his own way, solved the problem this afternoon. He told the government: Your bill is worth nothing. Send it back and introduce another one. What does it mean on the part of the Leader of the Opposition? What have we got in the way of constructive criticism in such an important situation? I respectfully submit that we have absolutely nothing.

As far as the suggestions made by the N.P.D. are concerned, there is opposition to compulsory arbitration. If there is an area in which I think one can logically conceive compulsory arbitration, it is the area of railway transport, where the rates are determined by a government control board called the Board of Transport Commissioners.

And in the case of compulsory arbitration, the government with logic, has upheld the freedom of speech by allowing ten members to rise and the debate to resume and amendments to be moved by the house. I believe, Mr. Speaker, that this does not create any difficulty and I sincerely think, because I have spent part of the evening with strikers, that this bill, being logically and objectively set out, seeks to guarantee in the first place the respect of the right to strike, which is a sacred right of the workers, even in the public sector—as I respectfully submit—and

also seeks to guarantee the respect of a right for which the workers have paid a high price in the past, often after bitter strike that is the right of freedom of negotiation. And if at this time, Mr. Speaker, difficulties may eventually lead to anarchy, it is because of the confidence the organized workers or the members of the various trade unions have in their leaders, and that problem, I respectfully submit, is of extreme importance. We heard, on the radio and on television, not later than a fortnight ago, that railway workers had said: We walk out this morning. We walk out because we have no longer any confidence in our leaders; our leaders are not accountable to us. Well, then, there arises a problem which is an extremely important one and it is the problem of the democratization within the labour unions. Then the employer will not be able to negotiate with representatives who could explain and further the interests of those they represent. Then, the government, I submit, will have to intervene and impose restrictions which may unfortunately infringe upon the right of the workers at this time, the freedom of collective bargaining.

Mr. Speaker, those are the comments that I had to make and I think that this bill contains only two points, that is the return to work and the resumption of negotiations, with the possibility of coming back to parliament if the parties cannot reach agreement. I think all this is the essence of the problem and this, I think, is to the credit of the government which, in spite of the magnitude of the crisis, tries to respect, in spite of the workers themselves, the great principle of the freedom of collective bargaining, even in the public sector.

• (7:40 p.m.)

[*English*]

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): A few minutes ago I listened to the hon. member for Sherbrooke (Mr. Allard) speaking on the present crisis and suggesting that we should not court the possibility of increasing the pressure of inflation on this nation by granting a wage increase of any substance to the railway workers.

As one who watches the Quebec papers I cannot help compare these remarks with the hon. member's remarks made during the last few weeks in connection with the strike in Sherbrooke involving the textile workers and Dominion Textiles of Canada. Judging by the remarks of the hon. member for Sherbrooke on this issue I would have thought that his voice in this House of Commons would be more sympathetic toward the hundreds of thousands of Canadians who earn their living by working for the Canadian railways.

As most members of the house know, I worked for 12 or more years on the railway. My father worked for 41 years with the C.N.R. This was not uncommon. There are many people in Canada whose first and only job was working for the railways, the C.N.R. or the C.P.R. or the other lesser known companies. There was a time when to work for the railways meant one had a job with prestige, one had security; one had a position of influence in the community. I know that in the depressed years of the 'thirties landlords in the community of Verdun would seek out railway workers, even though they were working part time, to see whether they could rent their flats or apartments to them, because the railwayman then, as now, was synonymous with honesty, integrity and responsibility.

• (7:50 p.m.)

The railwayman no longer holds that position in his community. He is as dignified and honest as ever before but his influence and prestige have diminished. They have diminished, Mr. Speaker, because slowly but surely labour working outside the railways are now the recipients of bigger salaries, and more money per hour, than the railway worker. If I thought tonight that the bill before us limited the railway worker for the next two years to 8 per cent I would be duty bound and morally bound to vote against it. I am one who is of the opinion that an 8 per cent increase is not sufficient wages.

Some hon. Members: Hear, hear.

Mr. Mackasey: But, Mr. Speaker, neither do I share the opinion of N.D.P. members, who have just endorsed my remarks, that this is the intent of the bill. Rather, as one who has been a union man for many years, I see something much deeper in the bill before us. I see an attempt made by the government to respect and continue the cherished rights of the unions to negotiate their own settlement, and I see the 4 per cent, and 8 per cent mentioned in the bill, as a very temporary settlement of the problems of the railway workers.

Many in my community work for the railway. Many in the gallery tonight are from my community and I know many of the

problems facing men who have spent 10, 15 and 20 years working for the C.P.R. I know of their anxiety and uncertainty. I know of the concern of those working in the dining car section, who see national trains shunted away, who at times see an almost conscious effort to discourage passenger service. One can understand, appreciate, and sympathize with the problems of the workingman who is expected to work for the benefit of the railway, when he is confused, as are many in this house, with policies of the C.P.R. that at times discourage passenger service, rather than encourage it.

I think that the railwayman in Canada has been synonymous with respect and maturity for many years because of the fact that the unions that have been charged with the problems of the workingman have been amongst the more mature and responsible in this country, and I do not share the opinion of those who say there is no room in Canada for international unions.

Rather, I think the stability that has been synonymous with the railway movement in Canada is due in large measure to the maturity and wisdom of those men who have taken time out from their normal work to participate actively in the labour movement, and I for one share their anxiety and confusion at the efforts made in some parts of the country to chip away at the authority and jurisdiction of the international unions.

Much effort has been made in the house to confuse not only the railwaymen but also hon. members as to the intent and purpose of the bill. Speaker after speaker has talked about the 6 per cent and 8 per cent in the same breath as he talked about 30 per cent, but each has failed to mention that the 30 per cent settlement of the longshoremen, and the 30 per cent of the seaway workers, is not 30 per cent immediately but 30 per cent spread over a two year period. Until the unions and management begin to finalize negotiations nobody will know what the eventual and total settlement in wages will be for the workingman.

At the present moment we know that if this bill is accepted and the workers return to work there will be an immediate increase for the men. And I presume they will return, Mr. Speaker, although I imagine it is hard for many of them who have gone through nine tortuous months of negotiation, to do so. However, they are members of mature unions which, in the final analysis, know that the laws of the land must be respected. In this respect this bill differs from the bill introduced in 1960. That bill simply froze the salaries of the men; it ordered them back to work with no immediate increase. That is the fundamental difference. This bill provides that if the men go back to work they will get some immediate increase. It provides that they go back and negotiate with the railway until November 15 in the light of the published amendments introduced for adoption, of certain parts of the MacPherson report, placing the railways in a better position to be more liberal and more conscious perhaps of the rights and needs of the workers.

The hon. member for Sherbrooke (Mr. Allard) wanted to know where we got the figure of 8 per cent. That is the recommendation of Mr. Justice Munroe to this point, and it is significant that it is a higher settlement than the companies' representative on the board was willing to agree to. I must emphasize, even at the risk of being repetitive, that clause 9 provides for the appointment of a mediator for the distinct purpose of negotiating the increase that I am confident will come as the result of negotiation undertaken in the light of the recommendations that will be introduced, and I mean primarily the recommendations of the MacPherson report.

Again, Mr. Speaker, I must speak on behalf of labour. At first glance it concerns me a little bit that if the MacPherson report is accepted in its entirety, or even partially if it provides for the railways to become more efficient, it could conceivably provide for reduction in the work staff, and thus create more insecurity and anxiety, which leads us on to another historic document with which most hon. members are familiar, the Freedman report.

A month or so before the house recessed I said I thought that in time the Freedman report would become as historic in the annals of labour as the Rand report. I am one member of the house and one supporter of the government who thinks that certain aspects of the Freedman report should be introduced almost simultaneously with any segments of the MacPherson report that are going to provide added revenue for the railways and which—and this is more disquieting for me—could provide for a reduction of the working force.

The time has come for all of us to realize that Canada can only be great and prosperous if all segments of society are respected and their needs looked after. There are too many people in this house and outside it who get

up and castigate labour, who point out wildcat strikes and legitimate strikes, but who forget that for every strike that takes place there are hundreds of agreements signed quietly and fairly.

• (8:00 p.m.)

The government must do more than look at company profits if it expects labour in all fields, not only the railway labour field, to be responsible in its demands. We are duty bound to look at consumer prices, increased dividends and record profits. We can no longer treat the problems of Canada piecemeal. I would suggest, of course, that by the same criterion the unions themselves are morally bound to settle their differences with the railways by November 15.

Now, Mr. Speaker, I have listened with a great deal of attention to the right hon. Leader of the Opposition who I am sure will be along in a few moments. On three or four occasions he pointed out that the railwaymen were responsible people and that he expected they would go back to work, but that he could not blame them if they did not. This reminds me a little of the funeral oration in Julius Caesar when they kept repeating "Brutus was an honourable man". If I was a cynical type and a real partisan, which I am not, I would say that at times I was left with the impression that the right hon. Leader of the Opposition might have been toying with an invitation to the men not to return. I was pleased at the change in his attitude over night.

I would imagine that some of the responsible members from the west who are concerned with the problems of wheat shipments and members from the maritimes who are concerned with the problems of the maritimes may have suggested to their leader that parliament is here to represent the rights of all Canadians, including the farmers and the workers.

The term compulsory arbitration has been bandied about by the right hon. Leader of the Opposition and by the leader of the New Democratic Party. I imagine that this is supposed to be synonymous with sin; to a railwayman and a labourman it is. In looking back into labour matters which have appeared in *Hansard*, as far back as 1950, I was intrigued by the legislation introduced in the House of Commons in 1958 to settle the Canadian Pacific Steamships strike in British Columbia. I know that many members of the house who are here tonight were present in 1958. Those who were here will recall that this strike had existed for many many months and had been very disruptive in the field of communications in British Columbia. The minister of labour at the time, the present member for Ontario (Mr. Starr), was plagued by the problem of settling this particular strike; so he introduced a bill, a copy of which I have here, which was nothing more or less than compulsory arbitration. I do not say this to castigate the hon. member, the then minister of labour, because there are circumstances where compulsory arbitration is the only and the last method of settling a problem.

The main feature of that bill, which was introduced by hon. members who now sit in opposition, was that it gave the union members on strike so many hours to get back to work, at the risk of forfeiting their jobs. Since the summer recess was coming up, that same bill included the right to punish the union men by order in council if they disregarded the government's instructions to go back to work. All the way through the debate at the time hon. members, particularly the hon. member for, I think, Skeena (Mr. Howard) or, if not, his deskmate, kept referring to the fact that this was compulsory arbitration. I mention this because for the benefit of labour and the people in the gallery, the hon. member and other members of the Conservative party have tried to create the illusion that they never stooped to compulsory arbitration legislation. Yet that is what they did in 1958.

Mr. Speaker, I then looked through other papers to see what else I could find—what other examples of compulsory arbitration. I came across a rather appealing and interesting document put out by a member of the New Democratic Party, the hon. member for Skeena, in July of this year. Because the hon. member had accepted the invitation of the Minister of Labour to settle the dispute of the longshoremen, he proposed, for the better part of a week, to lay on the order paper a resolution to introduce a bill to settle the longshoremen's strike. It never reached the printing stage, but the hon. member was honest and decent enough to send a copy to this party. He did launch the bill in a very grandiose manner with a full fledged press conference graced by no less than the leader of the N.D.P. He proposed to settle the longshoremen's strike. How?—by ordering the longshoremen back to work; that is how.

Mr. Douglas: But at wages the workers had already accepted, and without compulsory arbitration.

Mr. Mackasey: Mr. Speaker, it is a matter of semantics. I should like to read the explanatory note for the benefit of those who think it is not compulsory arbitration:

Clause 4 of the bill provides that the employees who are—

The Acting Speaker (Mr. Rinfret): Order. The hon. member for Rosthern.

Mr. Nasserden: Mr. Speaker, would the hon. member who has the floor table the copy of the bill from which he is quoting now?

Mr. Mackasey: It is a pleasure, Mr. Speaker. I will also file a copy of the bill of 1958 which you people introduced in the form of compulsory arbitration. To continue with the explanatory note:

Clause 4 of the bill provides that the employees who are now on strike at the three ports shall return to their work under conditions as enumerated hereunder.

The words hereunder meant on terms more beneficial to the longshoremen than when the strike began. What is fundamental to the whole issue is that it insisted that the workers go back to work under the strength of a bill passed before the House of Commons. Furthermore it says:

Clause 6 provides that the parties shall immediately enter into collective bargaining in good faith and shall make every reasonable effort to conclude a new collective agreement. If at the expiration of 60 days this collective bargaining still leaves certain matters in dispute these matters shall be referred to an industrial inquiry commissioner who shall inquire into the matters in dispute and make recommendations from time to time concerning these matters with the proviso that all such matters be recommended upon by the 1st of June 1967.

In other words this bill of the hon. member for Skeena does precisely what the bill before us does.

Mr. Lewis: Come on; you know better than that.

Mr. Mackasey: Let me finish.

• (8:10 p.m.)

This says that if negotiations—

Mr. Lewis: Do not be sanctimonious. The bill is not the same and the hon. member knows it.

Mr. Mackasey: Mr. Speaker, I do not wish to become involved in a cross-fire with the hon. member for York South. Let me finish what I am reading and then let the people generally and those in the gallery judge for themselves. I have an editorial before me which I should like to read, or at least parts of it.

To refer again to the bill proposed by the hon. member for Skeena (Mr. Howard), one clause suggests that the longshoremen should go back to work with some increase in pay, which is precisely what the railway employees are expected to do. If they cannot settle their differences after they go back to work, the matter is then to be referred to an industrial inquiry commission. Surely that is the same thing.

There was also a time limit set in that bill of the hon. member to the effect that the governor in council could make regulations to ensure the continued operations of the longshoremen, which would expire when a new agreement came into effect. In other words, by order in council regulations could be introduced to continue the operations of the longshoremen—and if that is not compulsory arbitration I do not know what it is. If they decided to go out on strike, then an order in council could have been introduced to prevent them from doing so.

The Vancouver *Sun*, which keeps a very close eye on the New Democratic Party, had the following to say on June 11, 1966.

Mr. Lewis: And it supports the Liberal party, do not forget that.

Mr. Mackasey: This article states:

"The time has therefore come when parliament and the government cannot further postpone appropriate action to bring the strike to an end."
—New Democratic Party press release issued June 9, 1966, in Ottawa.

In this quotation the N.D.P. was explaining why it was submitting a draft bill to order striking longshoremen in eastern Canadian ports to abandon their legal strike and return to work on terms fixed by the bill.

The underlying principle of the bill, standing in the name of Frank Howard, N.D.P., Skeena, is that damage to the public interest justifies a compulsory back-to-work order.

The N.D.P.'s national leader, T. C. Douglas, was present at the press conference when the release was handed out and subscribed to its terms.

A great many people have long believed that the rights of the public must be asserted by government in cases in which organized labour and employers are unable or unwilling to resume the operation of vital services.

These people may be pleasantly astonished to find an ally in the New Democratic Party, which prides itself on being the political arm of organized labour in Canada. Mr. Douglas and his followers have apparently climbed to a philosophical divide beyond which they can see a responsibility to society as a whole which supersedes an ancient loyalty to a particular group.

That is only part of the editorial, Mr. Speaker, from which I have quoted; but I am prepared to produce it so that interested members can read it to verify that I have not left out anything which destroys the spirit of what I have read.

The point I am trying to make, in referring to the Canadian Pacific Steamship legislation of 1958, is this: It is apparent from the bill sponsored by the hon. member for Skeena that the N.D.P. felt the time had arrived when the rights of the country must be put ahead of the rights of the longshoremen. In 1958 the government felt also that the time had come to put the rights of Canada ahead of the rights of the operators of the steamships in British Columbia.

The time always comes when the rights of the nation must come first. I differ with certain members, however, who think that every time the railway employees feel they should take advantage of the right to strike we must send them back to work, because the rights of the country are paramount. If we expect that year in and year out, contract after contract, union members must assume this type of responsibility, but we must assume the responsibility of making sure that in exercising this responsibility these Canadian workers are not placed in an inferior position as compared to other workers, particularly with reference to wage structures and working conditions. This government and house have a responsibility to these workers to see that an eventual settlement is reached before November 15, and that that settlement is not only equal to what has been recommended by Mr. Justice Munroe, but equitable in comparison with the wage structures and working conditions of other comparable workingmen.

The part of this bill which makes it supportable to me and other labour men in this party is that part which guarantees the right to workers of at least another two months to settle negotiations with employers. There is an amendment now before the house. Anyone who votes for that amendment will be voting for the disruption of rail service. We have heard many members of the opposition parties speak honestly and with feeling about the rights and needs of their particular areas of the country in respect of uninterruptable rail service.

An hon. member from the maritimes spoke clearly and concisely yesterday, echoing the opinion of many members of this house and certainly the sentiments of the fishermen and potato farmers of Prince Edward Island as well as those of wheat farmers of the west. I will be interested to see whether his feeling for his constituents is such that he will vote against the amendment tonight. If it is in the interest of his riding that railway employees go back to work as soon as possible so that trains will again begin to run he cannot afford the luxury of eating his cake and having it too. The rights of the fishermen, farmers and men of industry throughout this land are such that Canada cannot afford a railway strike.

Let me say to the government that I think the time has come when we should stop putting the railway worker in such an unfair position, as a result of which he is required at least every two years to make a sacrifice which the companies and other members of the working force are not prepared to make. These railway employees have always lived in dignity and integrity, and their position should be restored in the community of labour.

Thank you, Mr. Speaker.

Mr. David Lewis (York South): Mr. Speaker, when this house debated the question of compulsory arbitration for dock workers, and again tonight when we are faced with the present bill, the hon. member for Verdun (Mr. Mackasey), with whom I spent some very pleasant days recently on a trip to Poland, spent some time searching his soul in public. It is a painful sight to witness one go through the gyrations of mental and spiritual pain as he tries to justify the unjustifiable. The hon. member for Verdun said that when my colleague, the hon. member for Skeena (Mr. Howard), made certain proposals for the settlement of the dock workers strike he had reached the conclusion that the time had come then for the strike to end in the national interest.

• (8:20 p.m.)

Let me say to the hon. member that we agree with the government and with every other member in this house that the time has come now, in the national interest, to bring the railway strike to an end as soon as possible. We do not fault the government for making an effort to bring an end to the strike, and it is obvious that if parliament is to bring an end to any strike it must pass a law which says to the workers: You must go back to work. There is no other way in which it can be done.

Legislation Respecting Railway Matters

Mr. Speaker, that is not the reason for our strong opposition to the bill before us. The reason for our opposition is that the bill is a mean piece of legislation. It is an ineffectual piece of legislation. It is insulting and provocative to the workers now on strike. It is a piece of legislation to which the government could not possibly have given any intelligent thought and consideration. I would not be at all surprised if before the debate on this bill ends the right hon. Prime Minister (Mr. Pearson)—who listens to reason—comes in with a new bill that will be much better than the one now before the house. I hope he does. I hope that the representations made in this house, the news in the newspapers of the opposition of the striking workers, which he has read, and the representations made to him yesterday and today by the railway unions will persuade him to change this bill. But I regret with all my heart that for the umpteenth time since I have been in this house this kind of thing is what parliament has to go through, namely, a piece of legislation that has not been thought out, that has not been carefully considered, that does not accomplish what the government intends it to accomplish; and then the legislation has to be withdrawn and a new piece of legislation brought before us.

I say in all kindness to the right hon. Prime Minister that this kind of action on the part of the government, taking one step forward and two steps backward, has got to end. The newspapers have made clear that the workers who are on strike are not prepared to go back to work under this kind of law. I say to this house that no less a person than Hon. J. C. McRuer, for many years the Chief Justice of the Supreme Court of Ontario and one of the greatest jurists in this land, recently made a speech to the American Bar Association in Montreal. During that speech he said that unjust laws we have in abundance. I am not citing every word he used, but his is a story from the *Globe and Mail* of August 9, 1966, in which Mr. Justice McRuer said, of these unjust laws:

—some a legacy of other days—

He was referring to the unjust laws that we have in abundance:

—when standards of justice were different than they are today; others forced on us by impatient legislators who are more concerned with rules than justice.

[Mr. Lewis.]

Hon. Mr. Justice McRuer later in his speech said:

Order, like law, to be respected must deserve respect. Disrespect for an order that does not deserve respect ought not to be condemned as degeneration but commended as healthy regeneration.

I suggest to the right hon. Prime Minister that it is the height of folly to place before parliament and the country a law which cannot possibly be accepted with consent, no matter in what other way it may be accepted, by any Canadian with a sense of justice and self-respect. There is every difference between parliament saying that this strike must end and immediately bringing in legislation providing for an adequate settlement of the strike—I will come back in a moment to the role of government in railway negotiations—and the kind of thing we have now, a miserly, mean 6 per cent for the first year of the contract and no guarantee of what will happen afterwards, with supposed mediation which will be fruitless and futile until November 15, ending in compulsory arbitration.

I should like to remind my friend the minister of manpower and immigration, for whom all of us have learned to have respect for the way in which he carries out his duties inside and outside the house, of his important words which are reported in *La Presse* for August 22 this year. He uttered these words during a political speech in connection with the by-election in Nicolet-Yamaska:

[*Translation*]

A general railroad strike is a serious thing, but let us not lose our heads. There are also human rights and a government cannot do whatever it pleases.

And he carried on:

When one group is deprived of the right to strike—

—he emphasized—

—who can say where it will stop? Today, the railway employees, tomorrow the postal workers or the longshoremen, and later, the right of association—

[*English*]

The minister is right when in that same story he said that he appealed to his colleagues in the cabinet to think seriously before imposing compulsory arbitration. He has not yet told us whether he agrees with the imposition of compulsory arbitration which is contained in this bill.

The bill itself, and the defence which the Prime Minister made of it, are based in my submission on two great, serious errors—first,

about the nature of railway service in any country, and second about the nature of collective bargaining on the railways. It is nonsense—and I learned this long ago when I was an undergraduate at McGill University studying transportation—in a country like Canada to apply the same standards to railways that apply to an ordinary private enterprise and to look at the profit sheet, whether the railway is publicly or privately owned. The price of Canada's unity—as was stated by a friend of mine, Mr. Pitman, who was a member of this house in 1960, and hon. gentlemen to my right no doubt agreed with him because they were in power—is a transcontinental railway system. This was the way in which this country was built in the first place.

To build a transcontinental railway system we gave the C.P.R. right at the start, if I remember correctly, $25 million in cash and some 40 million or 45 million acres of land from which they have benefited since. It is why we have made special provisions for rates in respect of the Crowsnest pass for the export of wheat, for special maritime rates and other special rates across this country. We have done this because we have realized as a nation that our industry in peace requires these transcontinental railways and that in war they are indispensable.

• (8:30 p.m.)

The error that is made is to attempt to make the railways the same kind of proposition as an ordinary enterprise in this country. It is misleading to this country when the Minister of Transport (Mr. Pickersgill), when dealing with this matter, and the Prime Minister in his speech of the other day, suggest—I am not saying that the misleading was deliberate, but it is misleading the nation none the less—that the new bill and the new set-up will mean no subsidies from the treasury after a while. This is not so. There will not only be subsidies on a reducing scale for the first eight years, if I remember correctly, but also the bill provides a compensation to the railways for losses which they may incur in the course of certain of their services.

Mr. Nicholson: Will the hon. member permit a question? Is it not a fact that what the Minister of Transport (Mr. Pickersgill) said was that there would be no additional subsidies for the year 1966 and for subsequent years? Is that not what he said?

Mr. Lewis: If that is all he said, Mr. Speaker, I apologize to him. I may have misrepresented him, but if my memory serves me correctly the impression was given to the country by the Prime Minister in a speech which he made yesterday on introducing the bill, and on television and in other speeches, that when the new legislation comes in there will no longer be any need to subsidize the railways; that the railways will from then on take care of themselves. That is untrue and it is misleading. So long as there is a railway system in Canada which treats all parts of Canada fairly, so long will it be necessary to assist those railways, to recompense them for uneconomic services or for services which they will have to provide at less than what the traffic could bear if the regulations were not there.

That is why the Minister of Transport provides in his bill for a freezing of the maritime rates. I am sure the fact that he represents Newfoundland is a mere coincidence, but the fact remains that under this new bill the maritime rates are frozen. Why is that so? It is so because it is impossible to place the burden of the transportation system on the people of the maritimes. Therefore, Mr. Speaker, it has been neither wrong nor unwise for the government to have always had something to say with regard to the settlement of wages on the railways, because even the Canadian Pacific Railway is not a private enterprise in the normal sense. No matter how much it is regulated, it must always be regulated for the benefit of the Canadian people.

No one in this house would dare suggest, if he had any sense, that the Crowsnest pass rate be removed because the railways could immediately make tens of millions of dollars per year more if they were able to carry the grain at rates which were even a cent per ton mile instead of the half-cent per ton mile which they are now. When the average freight rate per ton mile is about a cent and three-quarters, the railways carry the grain through the Crowsnest pass at rates established in 1897, and it is right that they should do so because the economy of the country requires it. It is also right that the parliament and the public treasury should give assistance in order that the burden not fall on the farmers alone.

The second error that the Prime Minister made and the government is making is to suggest that there has ever been anything like collective bargaining in railway labour negotiations since the end of the war. It was said with such aplomb as if it were really a

matter of fact, although it is sheer nonsense to suggest that there has ever been anything like collective bargaining in railway labour negotiations. The railways just sit down and say "no". I am not guessing; I sat on about six or eight conciliation boards and I remember very distinctly the conciliation board of 1956, chaired by Mr. Eric Taylor and held during one of the most prosperous years in Canada. This was one of the best years for the railways. The railway representatives came before the board and said "We cannot make any offer of money". Mr. Taylor looked at one of the vice presidents of the C.P.R. who was on the witness stand—I think it was the late Mr. Emerson—and said "Mr. Emerson, can you not agree that at least a one-half cent increase might be possible for the C.P.R.?" And Mr. Emerson answered with a straight face, "no". This has been the standard procedure of the railway labour negotiations. The railways sat tight, they made no move either on wages or on fringe benefits, and ever since November 2, 1965 this has been their stand in the present case. As far as I know, and I am sure my information is correct, they have not offered a single cent of increase to the workers up to this very moment.

I ask hon. members and through them I ask the people of Canada: What would anyone here do if he were a member of a union which had served notice ten months ago, and at the end of the ten months not a single cent was offered by the employer? Would he not go on strike? Are the employees of the unions to be condemned for acting in this way in the face of this situation? The fact is that there is no collective bargaining between the railways and the unions. To say "We did not want to interfere with the normal collective bargaining process", as the Prime Minister said yesterday in justification for not having entered earlier into the picture is—and I say this with the greatest respect—sheer self delusion, if not worse. There was no normal collective bargaining process. What he is trying to do today he could have done six months ago. I say to him that six months ago he could undoubtedly have reached a much better settlement from his point of view—not from mine—and much better terms might have been achieved than he is likely to get today, after settlements which have taken place with the dockworkers and the seaway workers.

Now, Mr. Speaker, because such is the case in railway bargaining, people who have had to do with the settling of railway disputes came to the conclusion in 1950 and 1952—such as Mr. Justice Wilson in 1950 and Mr. Justice Kellock in 1952—that the only way to be fair to the railway workers and the only way to avoid railway strikes was to set a standard by which the railway employees' earnings may be measured.

It was the railways and not the unions which persuaded those conciliation boards that the proper standard for the earnings of railway non-op workers was a comparison with the earnings of employees of the durable goods industries as set out by the Dominion Bureau of Statistics. We did this, and I was party to such a decision by boards on a number of occasions. We did this because we had no illusions that the railway workers really had the right to strike. They have it on paper, but every time they try it and every time they threaten to strike, the boom is lowered because a railway strike is so immediately disastrous to the economy of the nation, if it lasts for some time, that everyone knows that at some point parliament will have to step in and tell the boys to go back to work. Those of us who acted on these conciliation boards recognized this fact. We did not utter pious phrases about the right to strike being a sacred right and then propose legislation that takes it away. It is just sheer rubbish to talk about its being a sacred right if you do not intend to let people exercise it. What good is a right if there is no opportunity to use it? The fact is that it is impossible for the country to permit a long strike of the railway workers, a strike which would really give them victory, because sooner or later parliament would have to step in. We realized that and knew that was the case.

The solution to the problem was to set a standard by which the earnings of the railway workers could be measured. The railways suggested it in 1950 and 1952, and when the standard was applied, not totally, not properly or correctly but in some measure, then the railways started kicking against it and ever since then they have tried to destroy what they themselves originally proposed.

What this bill should have done, in my submission, Mr. Speaker, is to have provided a wage for these employees that measures up to the standard provided by the earnings of durable goods employees, properly adjusted in accordance with the sex distribution, the size of the firm, the greater skills in the railway work force and geographical location

which favours the durable goods industry. It should have provided not a dribbling "four and four" but a 25 per cent increase in rates over a period of two years, which is clearly what the arithmetic of the standard properly applied requires.

• (8:40 p.m.)

Now, Mr. Speaker, somebody said that if we did that parliament would set the rates. I plead with members of this house, let us not fool ourselves; we are setting the rates, and in the long run the government will set the rates if parliament does not. There can be no settlement in a railway dispute about wages unless the government goes in and assists that settlement, and guarantees the railways a way to meet the settlement. So that whether the dispute is settled here or is settled later, it will be either this parliament or this government which will settle it.

I say that it would have been much more sensible, if we are to pass a law which tells people to go back to work, to have the courage to set the wage increase to which these people are clearly entitled by using a standard which has been established by a number of conciliation boards over a number of years.

There is another problem in connection with the railway force which I feel I must draw to the attention of members of this house. Because of the way in which the increases to the railwaymen have been applied in the past number of years, the gap between the unskilled and the skilled workers on the labour force has continually narrowed. For example, today, in 1966 an electrician, a sheet metal worker, a boilermaker or a carman, people who undertake a five year apprenticeship, have a wage rate per hour of $2.49 and a fraction—less than $2.50 an hour. And these are skilled craftsmen who have had five years apprenticeship. These people are concentrated in the large metropolitan areas of Montreal, Toronto, and now Calgary, to a larger and larger extent as mechanization on the railways has eliminated most of the roundhouses and replaced them with large modern shops. As I say, these men work in large metropolitan areas where their counterparts in industry—I am not talking about people in construction here, but manufacturing industry—receive between 75 cents and $1 more per hour.

An hon. Member: But for how long do they work?

Mr. Lewis: As long as anybody else in industry, the regular 40 hour week.

An hon. Member: In construction?

Mr. Lewis: If the hon. member had been listening to me—I thought I was speaking loudly enough—he would have heard me say I was not speaking of construction but of craftsmen in industry. I am saying that all of them are earning 75 cents to $1 per hour more.

In this regard there must be some adjustment made. It is important for the welfare of the railways, let alone the men concerned, that these skilled craftsmen be paid the rate to which their skills entitle them, so that they have some pride in and some loyalty to their work, instead of going around embittered, as I know some hundreds and maybe thousands are doing across the country.

Let us not weep for the C.P.R., Mr. Speaker. The fact is that despite regulations and everything else the Canadian Pacific Railway Company made out of its total operations in the year 1964 some 61 per cent more by way of profits before taxes than it did in 1963, and 47½ per cent more in 1964 than in 1963 after taxes. In 1965 the company made slightly less than 61 per cent in profits before taxes, but a great deal more in profits after taxes, namely 55 per cent. Their earnings in the first seven months of this year have been phenomenal.

I say without fear of any valid contradiction that, even without any help from this government, if the C.P.R. were willing to apply the profits made from all its enterprises, which all stem originally from its railway operations, the company could shoulder a 25 per cent increase in the rates without batting a corporate eyelash.

An hon. Member: What about the C.N.R.?

Mr. Lewis: The C.N.R. is a public enterprise. The C.N.R., as the hon. gentleman who interrupted me knows, has been loaded with a debt structure which is antediluvian and completely unjustified. When this government or any government has sense enough to recapitalize the C.N.R., then the C.N.R. will also show a great deal more profit than it does now.

If anybody shouts "inflation" at me, let me inform this house that the difference between the 18 per cent over two years as proposed by Mr. Justice Munroe and hon. Mr. Cameron, and 25 per cent over two years, would amount in total for all railways involved to

about $30 million. Thirty million dollars is one sixteenth of 1 per cent of our gross national product; and I would challenge any economist on the other side of the house to tell me that an increase in wages of one sixteenth of 1 per cent of our gross national product will cause inflation.

This bill should have had included in it a solution to the problem of job security among these workers. I suggest to you, Mr. Speaker, that it is shameful that this bill should in effect send to arbitration a problem which has been studied by Mr. Justice Freedman, —which is what it does. If I am informed correctly, there was a parliamentary committee in 1964-65 which found it necessary to provide for job security; the committee may have been earlier than that. There has been an investigation made by Mr. Justice Freedman who issued a report. Judge Little also told the government that legislation was needed. Mr. Justice Munroe also says legislation is needed. How many more inquiries does the government need? How many more arbitrators does the government require before it carries out the recommendations of Mr. Justice Freedman? A colleague of mine has just suggested to me that perhaps they are looking for somebody who will make the opposite findings to Mr. Justice Freedman. There is no reason in the world why this bill could not have amended the agreement in a way which met the job security fears of the workers.

Mr. Nicholson: I am sure the hon. gentleman would not want to leave this house with an erroneous impression. Is it not fair to say that Mr. Justice Munroe said that action at this time with regard to the Freedman report would be premature?

Mr. Lewis: Action at this time by him would be premature. That may have been the case; I do not quite know—

Mr. Nicholson: Did he not say that action by the government at this time would be premature?

Mr. Lewis: If he did, Mr. Speaker, then I very strongly disagree with him. Because the one thing about the Freedman report we should bear in mind is this: Judge Little said in his report that there are wide implications. There are not any wider implications than those dealt with by Mr. Justice Freedman, because he dealt directly with the railways and not with any other industry.

[Mr. Lewis.]

Mr. Nicholson: On a question of privilege, Mr. Speaker, all that I suggested to the hon. gentleman in asking my question was that I was sure that he did not want to misquote Mr. Justice Munroe.

Mr. Lewis: If I have misquoted him then I am sorry. My impression was that he also agreed that legislation was necessary. I cannot recall his saying that it would be premature at this time, but if the minister says that he said that and is sure of his facts I will, of course, accept that. I will look it up after my speech.

In addition to the bill's not containing the provisions I suggested it ought to contain, it does not even give the workers what has been recommended by Mr. Justice Munroe and the hon. Mr. Cameron. As has been pointed out more than once on the floor of this house, all that the government does is to give the worker the "four and four" in the first year. There is no guarantee that the railway men will even get what Mr. Justice Munroe recommended for the second year. Mind you, Mr. Speaker, from my practical experience I cannot imagine that any arbitrator would go below that recommendation; but there is no guarantee of that in this bill and there will be no certainty of it.

Furthermore, Mr. Justice Munroe made other findings. He improved annual vacations, provided increased life insurance and made one or two other recommendations. Every one of those should have been contained in this bill. At least the matters I have mentioned should have been in the bill. Then the dispute over the 18 per cent recommended by Mr. Justice Munroe and the 25 per cent or so the unions are asking for should have been sent to mediation in order that a just and proper settlement could be achieved. It may be if that were done, the workers would look at the bill differently.

I warn the Prime Minister, if I may, that even if he changes this bill but still gives the workers only 4 per cent retroactivity to January 1, 1966, he will repeat the folly which this bill represents, because the workers are right in rejecting it. Four per cent retroactive to January 1 does not even cover their losses due to the rise in the cost of living, let alone improving their situation. The 18 per cent which Mr. Justice Munroe recommended ought, in my opinion to have been divided; it should have been divided, providing 9 per cent for the whole of the first year and 9 per cent for the second year. If

that sort of thing were produced I think the workers might look at this matter.

● (8:50 p.m.)

A great deal has been said in this debate, Mr. Speaker, and a great deal has been written in newspaper columns and other places about labour's part in producing inflation. Let me deal with a number of statistical facts with respect to this matter if I may. In the *Financial Times of Canada* in the issue of June 13, 1960, there is a column by Robert Stewart entitled: 'Canadian Economy Stronger than Believed". In the column it is stated that a new method of calculating productivity in Canada has shown that unit labour costs—

—in direct contradiction to previous information —have not risen significantly for the better part of 10 years. Unit labour costs are vital to international competitiveness. This relieves fears expressed in the government's budget white paper this year that increases in these costs had endangered Canada's trading position.

The fact is, Mr. Speaker, that all the statisticians and all the studies made of labour costs in Canada by outside economists and by economists of the research branch of the Department of Labour have in recent years conclusively shown that actually the unit cost of labour, that is the labour cost per unit in production and manufacturing, has gone up very little, and in some cases has gone down, so that labour has certainly not been responsible for inflation.

What we are really suffering from in Canada, I suggest, is not fearful inflation in the economists' sense. What we are suffering from at this time is an increase in the cost of living for ordinary people, an increase in food prices, in rents, and in this kind of thing. These increases are due to the reasons that my leader, the hon. member for Burnaby-Coquitlam (Mr. Douglas) gave. They are due to administered prices; to increased mark-ups by the chain stores, and to profiteering of a kind which should not take place. This government and this parliament ought soon to do something about it.

I plead with the government, for the sake of this law, and for the sake of this country, to change this bill so that it carries with it some equity and justice. I plead with the government to propose a bill which will give a guarantee of some sort of adequate wage increase to the workers. I would prefer 25 per cent over two years, and something additional for the skilled crafts, who are entirely deserving of it. But at least the government ought to have, in this bill, 9 per cent for 1966 and 9 per cent for 1967; or 8 per cent for 1966 and 10 per cent for 1967. I am not trying to bargain, but I think the 18 per cent that Mr. Justice Munroe proposed, divided almost equally over the two years, ought to be implemented in the legislation, with the difference between 18 per cent and 25 per cent to be later negotiated under an effective mediator.

I plead with the government, Mr. Speaker, to drop the compulsory arbitration clause, for the reasons given by the Minister of Citizenship and Immigration. I cannot call for my proposition a more learned, and a more influential witness. I plead with the government to drop it also for another reason, namely that the period for negotiation provided in the bill is meaningless unless compulsory arbitration is removed.

It would be extremely naïve for anyone to think that the railways would sit down to negotiate, knowing that on November 15 there is going to be an arbitrator in this matter. It would be naïve to think that the railways would move a single inch, because they will know that if they make a proposal higher than 18 per cent, then the unions will go to arbitration and take the higher proposal as the floor. The railways know that, and will not make any proposals unless the compulsory arbitration clause is removed and the government is active and effective in mediation. Then, of course, the railways will have to negotiate sensibly and responsibly, because there will not be the stick of compulsory arbitration at the end. For these reasons, as well as for the general reasons I gave earlier, I urge the government to remove the compulsory arbitration clause.

I think that it is still not too late. I believe this government can produce a bill along the lines of the positive suggestions which I have made which will meet with the support of the strikers—perhaps not entirely—but which will be sufficiently palatable for them to decide that they must obey the law. This is what I want them to do. This is what every member of this house wants them to do. I am not one of those who will hypocritically tell people to accept an unjust law, if I know that if I were in their place, I would not do so myself. I ask the Prime Minister and the government not to force an unjust law on the striking worker, not to put him in the position of having to defy the law because of the strength of his grievance.

There is no worker in Canada more responsible, more law abiding—

Mr. Winkler: Can I ask the hon. member a question?

Mr. Lewis: Certainly.

Mr. Winkler: Is the hon. member suggesting that if this bill becomes law the members of the union should not obey it?

Mr. Lewis: Not at all. I am suggesting exactly the same thing that the right hon. Leader of the Opposition suggested—

Some hon. Members: Oh, oh.

Mr. Lewis: —that he suggested not once, but a dozen times. He told the government that this law would not produce respect—I cannot quote him—that this law is in danger of being not obeyed. The Secretary of State for External Affairs (Mr. Martin), in the debate in 1960 when the right hon. Leader of the Opposition was prime minister, warned the government of that time of the same thing. I have not time to pull out the quotation, but the record shows that the Secretary of State for External Affairs warned the then prime minister that the law he proposed was in danger of being disobeyed. That is what I am saying. I am saying precisely what the right hon. Leader of the Opposition said, that it is wrong to provide a law which is unjust and which will produce disrespect.

Mr. Diefenbaker: Mr. Speaker, that is just exactly what I did not say. I said that once parliament decides, unless there is to be anarchy and chaos in the country, the law must be obeyed.

Mr. Lewis: Mr. Speaker, I have listened to the speeches of the right hon. Leader of the Opposition, often with great interest and amusement, though not always with approval. I, too, am for virtue. I agree with this great declaration of his that the law should be obeyed. I agree with that. Everyone is against anarchy.

I remind the right hon. Leader of the Opposition that he said the actual increase would be 6 per cent. He talked of the 6 per cent boys, and of the six buck boys. He then said: "Will the men go back to work?"

• (9:00 p.m.)

An hon. Member: That is not what you are asking.

Mr. Lewis: Oh, yes—this is what I am asking.

[Mr. Lewis.]

Some hon. Members: Oh, oh.

Mr. Diefenbaker: You are backing up.

Mr. Lewis: I am not backing up. The great position of right hon. Leader of the Opposition does not intimidate me. Much as I respect him, just let him take it easy. I am saying the same thing, Mr. Speaker.

Mr. Caouette: That is not what you said.

Mr. Lewis: I say the same thing, and I draw the attention of this parliament to the reports in the newspapers that the men have said they cannot accept this. And I say to the government that neither it nor this parliament—somewhere in the right hon. gentleman's speech this idea is expressed, even though I cannot put my finger on it—should put an act on the statute books which it may be difficult for Canadian citizens to obey, and which some of them have said they will not obey.

Some hon. Members: Shame.

Mr. Speaker: The hon. member's time has expired.

Mr. Caouette: May I ask the hon. member for York South one question?

Mr. Speaker: Does the house give consent for the hon. member for Villeneuve (Mr. Caouette) to ask a question?

Some hon. Members: Agreed.

Mr. Caouette: In the name of the freedom of the workingmen on the railways, or of any workingmen in Canada, the hon. member is strongly opposed to compulsory arbitration. Would he also be opposed, for the same reason, to the compulsory check-off which is entirely against freedom of any workingman who does not want to belong to any union in Canada?

Some hon. Members: Hear, hear.

Mr. Speaker: Has the hon. member leave to answer the question?

Some hon. Members: Yes.

Mr. Lewis: I think that in courtesy to this parliament I ought to answer a question which is addressed to me, if not always in courtesy to other things. I believe the hon. gentleman asking the question produced a typical antilabour red herring.

Some hon. Members: Oh, oh.

Some hon. Members: Answer.

Mr. Lewis: I would remind him and other gentlemen who are making a great deal of noise—I do not mind; I will wait, if you have patience, sir—

An hon. Member: Answer the question.

Mr. Lewis: I would remind them that a compulsory deduction of dues was established in this country in the first place, on the first important occasion, by no less a man than the then Mr. Justice Ivan Rand back in 1945 at the time of the united automobile strike in Windsor, as I am sure the Secretary of State for External Affairs (Mr. Martin) will remember. I say to the hon. gentleman who asked this question that if he has any reason to doubt my own attitude toward some of these things, it is his privilege. But I, and many members of this house who know Mr. Justice Rand, are certain he would not have approved compulsory deduction of union dues if this was an erosion of freedom. In my own opinion it is not, and I therefore support deduction of union dues.

Mr. Webb: May I ask the hon. member another question?

Mr. Speaker: Order. I would remind the house that the time allotted to the hon. member for York South has expired and that a question can be put to him only by unanimous consent.

Some hon. Members: Agreed.

Mr. Webb: I should like to ask the hon. member whether he was a representative counsel for the union in years past at a fee of some $200, I believe, or $50 a day, though since the unions have been on strike his fee is now raised to $2,000 a day.

An hon. Member: Explain.

Mr. Lewis: I answer this question with a smile even though I think this kind of ungentlemanly attack on other members of this house is to be deplored. I merely say that I have not acted for these unions since I was elected to parliament. As a matter of fact, they asked me to act on the conciliation board and I told them I could not because I was a member of parliament. As to any charge for my fees, that is my own affair and the affair of my clients, as other people's fees and earnings are their affair.

Some hon. Members: Hear, hear.

Mr. Speaker: The hon. Minister of National Health and Welfare.

Some hon. Members: Question.

Some hon. Members: Filibuster.

Hon. A. J. MacEachen (Minister of National Health and Welfare): I can understand the anxiety of hon. gentleman opposite in seeking a vote. My purpose in speaking is to secure a unanimous vote in defeating the amendment moved by the Leader of the Opposition (Mr. Diefenbaker).

I realize there is unanimity in the house as to the necessity of railway operations in Canada being resumed. I realize there is unanimity in the desire that the strike shall cease and that the men should return to their jobs. I hope that when this parliament has passed a law, not only will every member of the House of Commons expect his fellow citizens to obey the law, but that every member of the House of Commons will encourage his fellow citizens to obey the law that is passed by parliament.

In 1960 when the Leader of the Opposition introduced his railway legislation, or at least announced his intention of introducing legislation to avoid a strike, the present Prime Minister (Mr. Pearson) made the following comment:

> Mr. Speaker, we on this side share the Prime Minister's regret, a regret which I am sure is felt by every hon. member of the house, that in spite of the strenuous efforts that have been made in accordance with the best democratic practice it has not been possible to reach an agreement on this important matter. The Prime Minister (Mr. Diefenbaker) has announced that legislation will now be introduced to deal with this question. It goes without saying, as he has mentioned, that whatever legislation is passed by the house will be respected and obeyed by trade union members and anyone else who is covered by it. I think we can all count upon that.

That is the end of the quotation. I agree with the Leader of the Opposition that if we cannot count on that in Canada, the result is anarchy.

Some hon. Members: Hear, hear.

Mr. MacEachen: I listened with great interest to the earlier part of the remarks made by the hon. member for York South and I must say that since the former member for Eglinton was in the house I have not heard the words "nonsense" and "rubbish" repeated so often in a single speech.

I intend in dealing with the issues before the house to consider three aspects of the

problem, first, the wage question; second, the pattern of parliamentary intervention in labour disputes and, finally, the Freedman aspect of this rail problem.

• (9:10 p.m.)

The Leader of the Opposition (Mr. Diefenbaker), in his skilful speech, attempted to tag 6 per cent on the proposed wage settlement implied in this bill. He has implied, if he has not stated, that this 6 per cent is a creation of the government, that it has no logical or judicial foundation, and he has claimed that it is less than the award of the conciliation board. In fact he said, as recorded at page 7,780 of yesterday's *Hansard*:

> The actual increase will be 6 per cent. That is an interesting figure when one begins to realize the degree to which the 6 per cent bank interest rate has caused difficulty in recent months. Will the men go back to work? Those in the Liberal party used to be the six bucks boys . . . now they are the 6 per cent boys. They are offering to the workers far less than was actually offered or suggested by the conciliation board.

Mr. Diefenbaker: I immediately ask the minister this question. What about the failure to offer that portion beginning January 1, 1967. Why was that not included within this legislation? You are offering less because you are offering nothing for 1967.

Mr. MacEachen: I hope to deal with that aspect of the question later on, but I would say that if there is any impediment in the minds of the workers about returning to work, or any reluctance after this law is passed, it will be, in part, the result of the distortion that has been included in this statement by the right hon. Leader of the Opposition, which has been repeated on the radio, over television and in newspapers—

Some hon. Members: Hear, hear.

Mr. Ricard: Take your responsibility.

Mr. MacEachen: —that in the final settlement all the workers will get, and can get, under this bill is 6 per cent. The Leader of the Opposition thinks that is the case and he said so, and it has had an effect on the country. But the right hon. Leader of the Opposition is wrong and inaccurate.

Some hon. Members: Hear, hear.

Mr. MacEachen: Mr. Speaker—

Mr. Lambert: That is all that is guaranteed under the bill.

[Mr. MacEachen.]

Mr. MacEachen: Mr. Speaker, the 6 per cent is not a creation of the government. It is not a figure picked out of the air. It is the recommendation of Mr. Justice Craig Munroe as chairman of the conciliation board who made a report to the Minister of Labour (Mr. Nicholson).

Mr. Lambert: As part of a package.

Mr. MacEachen: It is also in accordance with the finding of former Mr. Justice Cameron who sat on another conciliation board; and in view of the fact that the 1966 proposal is based on the finding of Mr. Justice Craig Munroe I think we ought to know something about his credentials in this particular field.

An hon. Member: We are not worried about that.

Mr. Ricard: Filibuster.

Mr. MacEachen: In 1962—

Mr. Fulton: May I ask the minister a question? Does he not agree that all the bill gives is 6 per cent for 1966?

Mr. MacEachen: Mr. Speaker—

Mr. Fulton: Is that not what the minister is saying?

Mr. MacEachen: Mr. Speaker, that is not what the minister is saying.

Mr. Fulton: Well, what is the minister saying?

Mr. MacEachen: I have indicated to the house that I was dealing with the wage aspect of the settlement and I shall be quite happy at the end of my speech to answer any questions that arise on this particular subject matter. But I appreciate the reluctance of the hon. gentleman to have placed on the record the particular authority of Mr. Justice Munroe in this field because he, Mr. Justice Munroe, was selected by the right hon. gentleman and his minister of labour in 1962 to head the conciliation board of which the hon. member for York South (Mr. Lewis) was the union nominee.

Some hon. Members: Hear, hear.

Mr. MacEachen: Mr. Munroe reported on that conciliation board and he reported the settlement. How does that square with the comment made by the hon. member for York South a moment ago that the railways always

say no, because Mr. Munroe on that occasion produced a settlement in a very complex issue by his work on the board, as I understand it, and reported a settlement.

In 1964, because of the success of this judge in securing a settlement in the previous situation, I recommended him to my colleagues to become chairman of the conciliation board. On that occasion he produced a majority award signed by the hon. member for York South as the union nominee, and that majority award became the basis of a settlement in 1964. This certainly illustrates that Mr. Justice Munroe is a competent person who has a record of success. Unfortunately, in this current dispute Mr. Justice Munroe failed to secure a unanimous report. He failed to secure a majority report, but he discharged his responsibility as chairman of the board and produced recommendations on the wage question and other matters in his report. All I want to argue is that—

Mr. Bell (Carleton): Why argue the obvious?

Mr. MacEachen: —is that Mr. Justice Craig Munroe had the confidence of the previous government, the present government, the unions and management because he was their nominee in this particular dispute. He has an intimate knowledge of the issues in dispute, as the result of extensive personal experience and successful settlements. I think it can be said, in the words of the hon. member for York South, without fear of valid contradiction, that there is no other person in Canada who could have approached this dispute with the knowledge, experience and judicial capacity possessed by this particular jurist.

Now, is the 6 per cent the creation of the government? May I read from the recommendation of Mr. Justice Munroe at page 8, where he says:

> My recommendation is as follows:
>
> To the hourly basic rates of pay in force at December 31, 1965, there shall be added:
>
> (a) effective January 1, 1966 add 4 per cent,
>
> (b) effective July 1, 1966, add a further 4 per cent—

That is his proposal for 1966.

Mr. Fulton: Read on.

Mr. MacEachen: I will be glad to.

Mr. Fulton: Now.

Mr. McIlraith: Just wait a minute.

Mr. MacEachen: Mr. Speaker, that is the recommendation of Mr. Justice Munroe with respect to the year 1966.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. May I suggest to hon. gentlemen that the minister should be given an opportunity to make his speech.

Some hon. Members: Hear, hear.

Mr. MacEachen: Mr. Speaker, bearing in mind the words of the recommendation of Mr. Justice Munroe I refer to clause 6 of the bill which provides in paragraph (b):

> Each basic daily rate in effect on December 31, 1965, established by or pursuant to the agreement in the case of an agreement binding or entered into on behalf of operating employees by 4 per cent effective January 1, 1966, and an additional 4 per cent effective July 1, 1966.

That was the point of reference used by the government. The hon. member for York South says that we ought to accept his point of reference. But he was not charged with the responsibility the chairman of the conciliation board had. I believe the government was duty bound to accept the objective judicial finding of the most experienced person in this field as a basis for its proposal.

• (9:20 p.m.)

An hon. Member: Then why did you not accept it?

Mr. MacEachen: I think that if the right hon. Leader of the Opposition calls us 6 per cent people, then he ought to bear in mind the undue castigation he is making of the chairman of this conciliation board.

Some hon. Members: Hear, hear.

Mr. MacEachen: As I stated at the very beginning, the speech made by the Leader of the Opposition has had its intended effect, because there has resounded throughout Canada the impression in the minds of the workers that 6 per cent is the final and last amount. That is incorrect.

Mr. Diefenbaker: I pointed out that the recommendation of Mr. Justice Munroe had not been incorporated in this legislation.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: That is what I pointed out. I now give the minister an opportunity to answer. What offers are now being made to the union by the Prime Minister or by another

member of the cabinet over that which is now before parliament?

Mr. Pearson: You will find out.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Parliament is dealing with this matter and it is being changed outside.

Mr. Speaker: Order, please.

Mr. MacEachen: Mr. Speaker, I am quite anxious to pursue this point to clarify the situation because—

Mr. Diefenbaker: Answer the question.

Mr. MacEachen: —this is an interim settlement for 1966 and because it is a provisional settlement—to use the words of the Minister of Justice on another occasion, referring to the 1958 bill. It is a provisional interim settlement for 1966. The parties are free to change this figure through the process of mediation provided under this bill.

The second inaccuracy made in the statement of the right hon. Leader of the Opposition is that the wage rates for 1967 are not covered in this legislation. I want to tell the house, Mr. Speaker, that the government carefully considered whether it would include a provision in the bill providing for the Munroe award for the year 1967. That was a choice open to the government. It rejected that course—

Mr. Churchill: No confidence in the judge.

Mr. MacEachen: —because it took the view that the maximum opportunity ought to be left to the parties to work out an agreed settlement for 1967, and failing that there is the solution of the dispute between them by arbitration.

Some hon. Members: Hear, hear.

Mr. Douglas: The lamest excuse we have heard tonight.

Mr. MacEachen: The hon. member for Burnaby-Coquitlam (Mr. Douglas) this afternoon accused us of destroying collective bargaining by imposing compulsory arbitration. His deputy leader told us that it does not exist. Maybe they ought to get together to reconcile their own differences.

The reference to 1967 is a clear illustration that the Leader of the Opposition has distorted beyond recognition the provisions of this bill with respect to the wage settlement. It is absolutely clear that Mr. Justice Munroe recommended a settlement of 18 per cent for a two year period.

Mr. Diefenbaker: Why did you not put that in the legislation?

Mr. MacEachen: Anyone who has any understanding of collective bargaining, as the hon. member for York South (Mr. Lewis) has, will readily agree that it is unrealistic that any settlement reached through agreement or arbitration will be less than the total wage package.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. MacEachen: Mr. Speaker, past experience teaches that—

Mr. Fulton: Does the bill say that?

Mr. MacEachen: —and I am satisfied that if the Leader of the Opposition had used the percentage of 18 per cent, as he would have been entitled to do on the basis of past experience, the effect among the workers in Canada would have been entirely different.

Some hon. Members: Hear, hear.

Mr. MacEachen: Mr. Speaker—

Mr. Diefenbaker: Mr. Speaker, I wonder whether the minister—

Mr. Speaker: Order, please.

Mr. MacEachen: Mr. Speaker, I accept the right of any hon. member to disagree with this bill; but I do believe it is totally irresponsible to misrepresent what we are doing.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Ricard: If it is so good, let us vote right now.

Mr. MacEachen: I am satisfied that anyone who reads the proposals of Mr. Justice Munroe and looks at the proposal provided for 1966, and who examines what has happened in previous mediations and arbitrations will reach exactly the same conclusion I have reached and which the hon. member for York South obviously has reached. I wish the hon. member for York South would get up and say it, and tell the workers that this is a total settlement ultimately as prescribed by Mr. Justice Munroe.

• (9:30 p.m.)

I have explained the reason the government chose to provide a provisional settlement for 1966 in the expectation that the parties ought to be given a further opportunity to negotiate and mediate. The right hon. gentleman has to appreciate that approach because in 1960 he ordered the men back to work empty handed.

Mr. Diefenbaker: How much is the government offering today?

Mr. MacEachen: He ordered the men back to work empty handed and he said: We are placing our total reliance on collective bargaining and on mediation, and his confidence was justified.

Mr. Diefenbaker: How much are you offering today?

Mr. MacEachen: His confidence was justified because negotiations reached a settlement of that dispute. We have provided, as we stated was our policy during that earlier debate, for an interim settlement on the basis of the conciliation board award and left the remainder of the issues, including a settlement for 1967, to the parties. The right hon. Leader of the Opposition attacks us for having taken the wrong course. What is he asking us to do—give nothing as he did?

Mr. Diefenbaker: How much was offered this evening by the Prime Minister?

Mr. MacEachen: My purpose in participating in this debate tonight, Mr. Speaker, is to assert what must be obvious to any person who examines this bill and examines the reports of the boards, that 6 per cent is not the final settlement: It is a provisional interim settlement for one year.

An hon. Member: Then it is 6 per cent?

Some hon. Members: Oh, oh.

An hon. Member: Six per cent here and 30 per cent there.

Mr. MacEachen: I am not embarrassed by that kind of comment because I began by using this 6 per cent figure produced by the Leader of the Opposition.

May I continue my remarks by referring to a second aspect of the problem, namely the pattern of parliamentary intervention in previous disputes. Honesty, I am sure, must compel us to admit that when parliament intervenes in the settlement of a dispute the processes of free collective bargaining are abridged. There is no doubt about that. When parliament must act to reach a settlement, as it has done on three former occasions the processes of free collective bargaining have failed, have broken down, resulting in parliament stepping in.

Mr. Diefenbaker: Will the minister answer a question?

Mr. MacEachen: I suggest that on the basis of a careful examination of all the past precedents, and there are only three of value to us—unless we refer to the Skeena precedent, which never became a full-blown precedent—they teach us that this bill succeeds as well as if not better than any other that has been introduced in the house in reducing to a minimum the impact of interference in collective bargaining, respecting the rights of the workers, because it is based on an appropriate judicial finding.

It is instructive to look at the 1958 and 1960 bills brought forward by the previous administration. First, with respect to the wage aspect, the 1958 bill introduced either by the hon. member for Ontario (Mr. Starr) or by the Leader of the Opposition prescribed a wage settlement of 8 per cent. The union men had been on strike for 68 days. If I reproduced the words and the mood of the Leader of the Opposition I could only say they failed to act—for 68 days they failed to act.

One should read clause 4 of the bill which prescribed an 8 per cent settlement, in spite of the fact that the chairman of the conciliation board in that case recommended a settlement of 25 per cent, union representatives 31 per cent and the company 17 per cent. The government chose 8 per cent because the stewards union, one group in the bargaining complex, settled for 8 per cent.

That bill provided for compulsory arbitration by governor in council. I do not know what conclusion to draw from the arguments advanced by the hon. member for Burnaby-Coquitlam (Mr. Douglas) and the hon. member for York South (Mr. Lewis). They both argued that, once there is compulsory arbitration, negotiations fail.

Mr. Fulton: Will the hon. minister permit a question?

Mr. MacEachen: We have only two cases to illustrate this, one of which proves the hon. gentlemen right and the other of which proves them wrong.

Mr. Fulton: May I ask the minister a question?

Mr. Speaker: Order, please.

Mr. MacEachen: The one proves them wrong because a settlement was reached without compulsory arbitration.

Mr. Fulton: Will the hon. minister say where—

Mr. Speaker: Order, please.

Mr. MacEachen: Mr. Speaker, the one precedent—

Mr. Fulton: I should like to ask the minister where—

Mr. Speaker: Order, please. The minister has the floor. If the minister wishes to permit a question perhaps he will indicate his permission.

Mr. Fulton: Will the minister indicate where in the context of the statute of 1958 he finds a provision for compulsory arbitration by governor in council? There is provision for the appointment of a board of arbitration, but not for the acceptance of an order of the governor in council.

Some hon. Members: Oh, oh.

Mr. MacEachen: Mr. Speaker, clause 7 of Bill C-42 as passed by the house in 1958 provides that:

> The governor in council may make regulations for carrying out the purposes and provisions of this act and, without restricting the generality of the foregoing, may make regulations.
>
> (d) for referring to a board of three arbitrators appointed by the governor in council such matters relating to the revision or amendment of an existing collective agreement as the parties thereto may request or as the governor in council may deem expedient, including the fixing of the term during which the new collective agreement shall operate—

Mr. Fulton: Surely that is by arbitration. That is very different from what you said.

Mr. MacEachen: If I have misled the opposition I apologize. What I am suggesting is that this bill gave authority to the governor in council to refer matters to a board of arbitration, the result of which arbitration would determine the collective agreement.

Mr. Fulton: That is not what you said.

Mr. MacEachen: That is exactly what is provided for in this present bill with respect to arbitration, except that we respect the parliamentary authority by giving parliament the opportunity, if it sees fit, to revoke any order established under this bill.

Some hon. Members: Hear, hear.

Mr. MacEachen: I do not understand why hon. gentlemen opposite pound their chests in all righteousness about this bill, in view of the fact that the 1958 bill included precisely the same provision for compulsory arbitration except for the fact that it did not provide for parliamentary revocation of any order in council made by the governor in council. So I do not know that conclusion you draw from that. You draw one conclusion, that this bill is just about as good as any bill produced by the opposition; and for hon. gentlemen opposite to describe it otherwise is an act of hypocrisy.

In 1960, which is the other case, the Leader of the Opposition produced a bill in the house ordering the men back to work.

• (9:40 p.m.)

Mr. Diefenbaker: Before the strike began.

Mr. MacEachen: Before the strike began. He ordered the men back to work empty-handed, with no wage increase whatsoever.

Mr. Diefenbaker: We did not make any offers such as were made this afternoon by the Prime Minister.

Some hon. Members: Zero.

Mr. Diefenbaker: There were none of these under-the-table deals.

Mr. Winkler: No 30 per cent deals, either.

Mr. MacEwan: Read on.

Mr. MacEachen: I think the point has been driven home.

Some hon. Members: Hear, hear.

Mr. MacEachen: The Leader of the Opposition brought in a bill to stop a strike before the right to strike had been exercised. He ordered the men back to work and he sent them back empty-handed, without a red cent. I do not know why today he left everything to free enterprise and is asking us not only to fix the wage rates for 1966 and 1967 but to fix fringe benefits, to establish the recommendations contained in the Freedman report and to legislate a total settlement covering every aspect of these collective agreements, when the course he followed was to legislate on not a single item; and he sent the men back to work.

Where is the consistency, when the amendment before the house proposed by the Leader of the Opposition castigates us because we have failed to include fringe benifits, have failed to legislate every item of the Munroe awards and have failed to legislate the Freedman report? How can the Leader of the Opposition square this amendment with his own conduct as prime minister, when he brought in the bill and refused to legislate in respect of a single item, a single term of a single collective agreement? All I am trying to prove, Mr. Speaker, is a very simple thesis.

Mr. Diefenbaker: That black is white.

Mr. MacEachen: I am trying to prove a simple thesis, namely that nobody on the other side of the house ought to find any fault with this bill on any of the grounds that have been put forward against it, if they want to be consistent with their past conduct; because it is a fact that any government that intervenes in the process of free collective bargaining is bound to take steps that can be criticized, and easily criticized, by any opposition party.

Mr. Diefenbaker: What about the 30 per cent formula?

Mr. MacEachen: I want to say a word or two about the Freedman report because I realize it is a very important issue in this dispute.

Mr. Diefenbaker: Mr. Speaker, before the minister continues, would he accept a question? I have paid his remarks the attention they deserve. The minister has stated how wonderful this bill is. Will he now tell the house whether the Prime Minister or any other minister of the government, while parliament sits, is offering to raise the ante to the unions far and above anything that is included in this bill?

Mr. Pearson: Mr. Speaker, I can answer that question at once. The right hon. gentleman, as usual, has been deceived by his headlines. No offer has been made.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: "No offers have been made." Does the Prime Minister say—he dare not deny it—that he did not make offers this very evening?

Mr. Winkler: Whom have you been negotiating with?

Mr. Nicholson: On a question of privilege, Mr. Speaker, the Leader of the Opposition (Mr. Diefenbaker) says that he knows an offer has been made today. I challenge him. I deny it, and I say he has no right to interject statements of that kind when the Prime Minister of this country has said that no offers have been made.

Some hon. Members: Hear, hear.

Mr. Winkler: I would like to ask a question, then: Whom have they been negotiating with?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. We should have order in the house. The hon. minister has the floor.

Mr. McIlraith: The continuous breach of the rules by the official opposition.

Mr. MacEachen: Mr. Speaker, I said when I began that I wanted to say something about this bill in connection with the problem raised by the Freedman report. I believe it is wrong to state that the bill makes no provision for a determination of the Freedman-type issue. The hon. member for York South (Mr. Lewis) made explicit something that is implicit in the bill, namely that there is provision for the arbitrator to deal with this particular aspect of the dispute which we face at the present time. The concern of, especially the trainmen, and others involved in this dispute is understandable with respect to the problem posed in the Freedman report. Personally, Mr. Speaker, I have expressed fully my views on the Freedman report and the kind of guidepost it will establish in the field of industrial relations and labour relations in Canada. This problem cannot be ignored. It is a fact that there is concern among the workers that the institution of technological change during the life of a contract may have consequences in respect of their job security. They have urged that they have an opportunity to negotiate on these changes during the life of an agreement.

Mr. Justice Freedman in his report made the proposal that the ideal solution of this problem is to permit the parties, the unions and the men, to work with proper procedures to cope with the problem. This is Mr. Justice Freedman's principal recommendation. He says that if this fails, legislation can be considered along the following lines: An arbitrator will be appointed to determine whether

any change contemplated during the life of the agreement is a material change. Then if he concludes that it is not a material change, management is entitled to institute that change. If he concludes it is a material change, it is to be negotiated at that time or at the end of the agreement. That is Mr. Justice Freedman's proposal.

Hon. gentlemen will have read another report involved in this problem, namely the report of the conciliation board headed by Judge Little. In my view there is an encouraging conclusion with respect to the Freedman report in that particular aspect of the conciliation board report, because there is a large degree of agreement between the union representative and the management representative on the way to cope with the Freedman-type issue. It has not been fully resolved but encouraging steps have been taken, and there is no doubt that further encouraging steps will be taken on a voluntary basis.

• (9:50 p.m.)

Mr. Douglas: Did the Little commission not recommend legislation in this matter?

Mr. Speaker: I regret I have to interrupt the hon. minister but his time has expired.

An hon. Member: Keep up the filibuster by yourselves.

Mr. Knowles: Does the minister not have unlimited time under standing order 31?

Mr. Speaker: The hon. member for Kamloops (Mr. Fulton) has the floor on a question of privilege.

Mr. Fulton: Yes, Mr. Speaker, I will rise only if the Minister of Health and Welfare (Mr. MacEachen) has terminated his remarks. I do not want to interrupt him.

Mr. MacEachen: My time is up.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise at this time to suggest to the house that in view of the fact no one in our party has spoken for the past six hours, we should allow the previous speaker to continue and that we should then continue the debate beyond ten o'clock in order to give hon. members on the government side an opportunity to continue their filibuster of their own bill.

Mr. Speaker: The hon. member for Kamloops.

[Mr. MacEachen.]

Mr. Fulton: On the understanding that the Minister of National Health and Welfare will not continue his remarks I wish to rise on a question of privilege with relation to something he previously said. He was quoting from the report of Mr. Justice Munroe and I asked him to continue reading the paragraph. It was certainly my impression from the remarks made by the minister that he had concluded the paragraph. I was therefore hesitant in suggesting there was something further. I wish therefore to place on the record the full paragraph from which the minister was quoting. It appears on page 8 of the report and reads as follows:

> My recommendation is as follows:
>
> To the hourly basic rates of pay in force at December 31, 1965, there shall be added:
>
> (a) effective January 1, 1966 add 4 per cent,
>
> (b) effective July 1, 1966, add a further 4 per cent.

That is where the minister stopped reading. The paragraph continues as follows:

> (c) effective January 1, 1967 add a further 4 per cent,
>
> (d) effective July, 1967, add a further 6 per cent.
>
> Daily, weekly and monthly rates shall be increased in an equivalent manner.

The minister read none of the subsequent provisions of that paragraph, all of which are material to the consideration before us and all of which are referred to in the amendment moved by the Leader of the Opposition. It was a deliberate attempt to pretend to the house that the recommendation stopped there.

Mr. MacEachen: Mr. Speaker, the subsequent remarks which I made clearly illustrated that these further percentages were included. If I did not read them, I intended to read them. They should be part of the total picture, the total 18 per cent that will likely be the ultimate basis of the settlement.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I move that this house continue to sit today until eleven o'clock.

Mr. Starr: Mr. Speaker, I would agree to the motion only if the minister would alter it to read "until a later hour" because I think every opportunity should be given to the government if it wishes to filibuster its own bill. We are willing to sit as long as the government continues talking, in order to vote on this bill and reach a decision on it.

Mr. Douglas: Mr. Speaker, the members of this party would object to sitting beyond ten o'clock.

An hon. Member: This is an emergency.

Mr. McIlraith: Standing order 6 (2) provides that:

A motion that the house continue to sit after the hour specified in section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if 10 or more members then rise, the question shall not be put on the motion.

The motion is not debatable.

Mr. Speaker: I thank the hon. minister for his assistance. I was about to read standing order 6 (2) to hon. members. It was done on my behalf. Hon. members know the rule; it is that if any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if 10 or more members then rise, the question shall not be put on the motion.

Mr. Douglas: Mr. Speaker—

Mr. Speaker: The motion, of course, is not debatable.

Mr. Douglas: I am not debating the motion, Mr. Speaker. I just wish to say that I objected on the ground I feel the government should have time to consider the recommendations we have made.

Mr. Speaker: Order, please. The rule does not provide for explanations as to why an hon. member objects. He can only rise and object. Is there an objection? If so it will be registered by hon. members.

Some hon. Members: Shame.

An hon. Member: Let us get back to work.

Mr. Speaker: If 10 hon. members rise, the question shall not be put.

And more than ten members having risen:

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question? The hon. member for Nickel Belt.

Mr. Norman Fawcett (Nickel Belt): Mr. Speaker, it seems that every time I am on the floor I hear this roar of a filibuster from the other side.

An hon. Member: You have never been up before.

Mr. Fawcett: There is too much filibuster. I would like to say, Mr. Speaker, that I think perhaps I am better qualified to speak for the railroaders than anyone else in this house. It is quite obvious that particularly some of the hon. members on the other side do not want to hear a railroader's point of view. However, I will put it on the record. I was a railroader for 25 years and I have worked with other railroaders. For 15 years I represented one of the unions participating in this strike. I therefore think I am qualified to give some explanation regarding my knowledge of this situation.

Mr. Speaker: Order, please. May I suggest to hon. members that there are too many conversations taking place at the present time. This makes it difficult to follow the speech being made by the hon. member for Nickel Belt.

Mr. Fawcett: May I call it ten o'clock? Mr. Speaker?

Mr. Speaker: Order, please.

Mr. Fawcett: My colleague tells me I will have to say I am a railroader all over again. I can do so, but I can assure hon. members that when I come back tomorrow I will probably tell you this all over again as well. My colleague, the hon. member for York South (Mr. Lewis) as well as my leader, the hon. member for Burnaby-Coquitlam (Mr. Douglas) both made the remark today that railroaders do not like strikes. Mr. Speaker, I think it is now ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN PACIFIC RAILWAY—REPORTED STATEMENT RESPECTING PENSION RIGHTS OF STRIKERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I addressed a question to the Minister of Labour (Mr. Nicholson) on the orders of the day this afternoon and it is in connection with this matter that I should like to say a few words, in the hope that he might amplify the answer which he gave. The answer was in itself satisfactory but I do feel—

Mr. Nicholson: Will the hon. member permit a question? I think I am reasonably familiar with the Industrial Relations and Disputes Investigation Act to which the hon. member made reference. Would he draw my

attention to the particular section which he would like me to invoke as a result of his question today?

Mr. Knowles: Mr. Speaker, I certainly intend to do that if the minister will just wait for two or three minutes. I am sure he will understand that any hon. member in this house who has had a long connection with the city of Winnipeg could not but ask the question I did today with considerable feeling.

In the year 1919 we had a strike situation in Winnipeg as a result of which a great many people suffered for many years, and many of them are still suffering. We experienced one of the greatest injustices that ever resulted from a strike situation. I am referring to the fact that the Canadian Pacific Railway cancelled all pension rights and privileges that had been earned by its employees up to the time of that strike. It went further and provided that from then on no one over 40 years of age could re-enter the pension plan. The total result, as I say, was that for many years there was a great deal of suffering, and there still is for many older men who have retired from the employ of the Canadian Pacific Railway.

• (10:00 p.m.)

Because of this injustice the matter was brought up on the floor of the House of Commons for many years by my predecessor, the late Mr. Woodsworth, and I carried on the effort when I came here to try to get the government to do something to restore those pension rights.

We were not able to have that accomplished, but two things did result. One was a report prepared by an esteemed civil servant, who has been in the gallery both yesterday and today, and I see is still there tonight, Mr. Harris Johnstone, on the whole question. This report was made as a result of an investigation ordered at my request by Mr. Mackenzie King, and the report made it clear that the action of the C.P.R. was wrong. But the government still took the position that there was nothing it could do about the 1919 situation.

However, as a result of our efforts in this matter, as a result of Mr. Johnstone's investigation and report and as a result of the battles on the floor of the House of Commons, we did persuade the Liberal government of that day, under Prime Minister Mackenzie King, to put an amendment into the Industrial Relations and Disputes Investigation

[Mr. Nicholson.]

Act. As a matter of fact, it was one of those rare occasions when a private member's amendment was accepted. Although it was subamended to some extent, the heart of the amendment, as I proposed it, was accepted and it is still incorporated in the act.

May I refer the minister to section 4 (3) (b) of the act. I do not need to read all of it, since some of the words are not relevant, but let me read the significant words:

> No employer . . . shall deny to any employee any pension rights or benefits to which he would otherwise be entitled by reason only of his ceasing to work after the 1st day of September, 1948, as the result of a lockout or while taking part in a concerted stoppage of work due to a labour dispute where such lockout or stoppage of work has been enforced by the employer or called by the recognized representative of such employee, as the case may be, after all steps provided or contemplated by law have been taken through negotiation, collective bargaining, conciliation and arbitration to settle such dispute or by reason only of dismissal contrary to this act.

I must say that the wording of that section as it was passed is a lot longer than it was when I first moved the amendment to the statute, but surely the sum and substance of the amendment is very clear. I submit that when it was passed by parliament, parliament knew what it was doing. It did not want the 1919 situation ever to be repeated. It did not want workers to lose their pension rights because they went out on strike, particularly if they went out on a legal strike.

I read in yesterday's Toronto *Telegram* the terrifying item of news that Mr. Ian Sinclair, president of the Canadian Pacific Railway, has threatened that if employees of that company fail to go back to work in the event of the bill which is before the house being passed, they will lose their pension rights. It is this law of the land, which stands against the loss of pension rights to any workers who have gone out on a legal strike, that I should like the minister to convey to Mr. Sinclair.

I appreciated the minister's answer this afternoon when he said that he would send it to Mr. Sinclair; and I appreciated his inquiry tonight as to the precise section to which I was referring. I would point out to him that clause 4(b) of Bill No. C-230 to which the Minister without Portfolio referred this afternoon is really not very helpful because it does not cover what might follow from now on. But the section in the Industrial Relations and Disputes Investigation Act to which I have referred does cover the situation, the men having ceased work because of a strike that was legal in every respect.

For any company to threaten that these employees might lose their pension rights is a defiance of the law. It is turning the clock back 50 years in a way, I am sure, this parliament would not stand for. In fact, I believe if by any chance there were any defect in the law, the government would want to correct it, so that no pension rights will be lost because of the present strike.

I would appreciate the minister's underlining his willingness to make it clear that this law must be obeyed.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I was very pleased this afternoon to say that I would draw to the attention of the president of the Canadian Pacific Railway the pertinent section of the act which has been referred to. Although I have no knowledge, or personal knowledge whether the statement attributed to Mr. Sinclair was in fact made, if the hon. member who has just spoken assures me that such is the case, that it was made, I of course would not hesitate to draw the section to his attention.

Mr. Knowles: It is in the press, in the Toronto *Telegram* of yesterday.

Mr. Nicholson: I will be very pleased to draw Mr. Sinclair's attention to this particular section.

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

HOUSE OF COMMONS

Wednesday, August 31, 1966

The house met at 2.30 p.m.

THE LATE ALEXIS CARON

TRIBUTES ON PASSING OF MEMBER FOR HULL

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the House will be saddened to learn, as I was saddened and distressed to learn, of the passing this morning of our colleague the hon. Member for Hull, Alexis Caron, a friend and valued comrade over the years and, for a time, my Parliamentary Secretary.

Mr. Caron, as we all know, was a man of kindness and generosity with an alert understanding of human nature, its weaknesses and its strength. He was a very great individualist, an unyielding and eloquent fighter for those causes and principles in which he believed; a man of sturdy independence, a man who served his country and his party well; he was whip of our party in the House for some years, as hon. Members know. He served his city as Mayor. He served his province as a member of the legislature to which he was first elected, I believe, in 1935. And he served his country as a member of this Parliament, always with diligence and honour, over many years.

He will be very greatly missed. We knew he was in indifferent health but his death came both as a surprise and a shock, and I should like to extend to his wife, Mrs. Caron, and to his family our very deep and heartfelt sympathy.

• (2:40 p.m.)

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, it is on occasions such as this that we in the House of Commons, separated by party considerations, realize we have so much in common; a relationship that is only possible in a democracy, a relationship between those who disagree with each other politically that does not cause our friendships to be limited by the places in the House in which we may sit.

I join with the Prime Minister in the expression of deep sorrow on the passing of Alexis Caron, a man who, as was stated by the Prime Minister, served in all fields of public life; as Mayor of his city, as a Member of the Provincial Legislature, and as a Member of the House of Commons for many years. He was a man of strong personal feelings, one who expressed himself in a way that could be understood and with equal facility in both languages on those matters about which he felt keenly. The Prime Minister said he was a man of independent thought and action. I think that describes him very well. He regarded his position as a party follower as not inconsistent with a degree of independence when decisions were made with which he was not in full agreement.

On behalf of Her Majesty's Loyal Opposition we join with the Prime Minister in extending our sympathy to the widow and members of the family, as well as to the Prime Minister and the associates and confrères of Mr. Caron for so many years in this Chamber.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, it is always a matter of regret when we learn of the passing of one of our colleagues, irrespective of the party to which that colleague may belong. In the New Democratic Party we got to know well the hon. Member for Hull, Mr. Alexis Caron. We knew him particularly when he was government whip and came to respect him for his independence and for his strong sense of conviction. As a man who had a long and useful public life I am sure he will be missed by his constituents and by the political party to which he belonged.

The members of this party would like to associate themselves with the Prime Minister and the Leader of the Opposition in extending our deepest sympathy to Mrs. Caron and the members of the family, as well as to Mr. Caron's colleagues in the House.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, like all the hon. members in the house, I was most surprised at noon to learn that the hon. Member for Hull (Mr. Caron) had suddenly left our group, our assembly and his family.

Even though we, on this side, did not share his ideas and convictions, we witnessed the courage with which he expressed his opinions frankly and sincerely. Even toward his own colleagues and his own party, Mr.

Caron never feared to state his ideas publicly and intimately, wherever he was.

So we must extend to Mrs. Caron and the family, our deepest sympathy in their great loss. I think all the Members of Parliament will keep a lasting memory of the late, lamented Alexis Caron.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we in this party wish to associate ourselves with the expressions of sympathy and regret which have been uttered by the right hon. Prime Minister, the Leader of the Official Opposition and the leaders of the other parties. We were shocked to hear of our colleague's passing. We had learned to know him as a man of convictions, and a champion of his constituents and those causes which were dear to his heart. We will miss him from our midst.

Our sympathies are extended to Madame Caron, her family and, yes, to the Prime Minister and the members of his party. We share with them their sorrow at the passing of the Member for Hull.

BUSINESS OF THE HOUSE

HOUSE

MOTION TO EXTEND SITTING HOURS THIS DAY

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, pursuant to standing order 6(2) I move that this house continue to sit after six o'clock on this day.

Mr. Speaker: I should like to remind all hon. members of the terms of standing order 6(2):

> A motion that the house continue to sit after the hour specified in section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion.

Hon. Michael Starr (Ontario): Mr. Speaker, last Monday, at the beginning of this session and the consideration of this important legislation, we in this party offered to sit without regard to time until consideration of the bill was completed. Unfortunately this proposition was rejected. At ten o'clock last Monday night when the right hon. Leader of the Opposition was speaking it was suggested he continue until he had completed his remarks—

Some hon. Members: Order.

[Mr. Caouette.]

Mr. Starr: I am talking about this motion which has been submitted here, and it is relevant to what has transpired.

Mr. Speaker: The hon. member knows the motion is not debatable. It will be embarrassing and will cause difficulty if the hon. member is allowed to make a statement or explanation at this point. I am wondering whether this might be done after the motion has been put. Since this standing order was adopted by the house it has been the practice that there should be no comment on the motion. Certainly the rule provides that there should be no debate.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, on a point of order, I presume the minister in asking for this permission is serious in his request. I therefore ask for a clarification as to what he intends to do, because I think it will make some difference. Is it the intention that the hours of sitting tonight be the same as last night or the same as on one of the other days, and if so would he specify which day so that a decision can be made? In my opinion it is not possible to make a decision with just this request.

Mr. McIlraith: Mr. Speaker, it was my intention that we should continue to sit continuously after six o'clock to finish this bill.

Some hon. Members: Hear, hear.

• (2:50 p.m.)

Mr. Starr: Mr. Speaker, in view of what was said yesterday during this debate as to the time at which we should reject or approve the measure before us, there was some misunderstanding which I think needs clarification. I rise at this time on a question of privilege in view of the fact that on Monday evening when the right hon. Leader of the Opposition on behalf of this party offered to sit until we had completed the bill—

Some hon. Members: Order.

Mr. Speaker: Order, please. I understand the hon. member is now rising on a question or privilege.

Mr. Starr: That is correct, Mr. Speaker. At ten o'clock, during the remarks of the right hon. Leader of the Opposition, a representative of the government proposed that the house sit until he had concluded his remarks. In view of the fact the government had rejected the proposal that we sit until the bill was completed, there seemed to be no point in sitting longer than the regular hours at that time.

Only one member of this party spoke yesterday during this debate whereas four Liberals and two members of the N.D.P. took part, with another one having the floor.

Mr. Speaker: Order, please. It is my suggestion that the hon. member is now manoeuvring around the rule which specifically states that there shall be no debate on the motion now under consideration. Obviously the hon. member is now debating the motion proposed by the minister, in an attempt to explain why he either supports or disagrees with it.

Mr. Starr: Mr. Speaker, I shall now outline specifically my question of privilege. We are happy that the government has now accepted the suggestion we made on Monday, and we are prepared to sit until this bill is completed.

Mr. Speaker: The Chair is put in a difficult position when an hon. member makes a statement such as the hon. member has just made because in effect he is debating the motion, and the Chair must then recognize other members who wish to take part or make other comments. With the co-operation of all hon. members I will consider that a question of privilege has been raised by the hon. member, although perhaps he has no prima facie case of privilege.

Let us now return to the motion which has been proposed. If ten or more members do not rise at this time the motion carries.

Mr. Douglas: Mr. Speaker, may I be permitted to ask the minister to consider a supper recess for one hour, and at the same time some cut-off hour? Perhaps we could discuss the latter suggestion at ten or eleven o'clock.

Some hon. Members: No, no.

Mr. Douglas: I am not suggesting that the minister agree to a cut-off hour at this time. Perhaps a conference could be held later, at which time we could agree to a cut-off hour, rather than allowing the debate to continue all night.

Mr. McIlraith: Mr. Speaker, I am content to agree to a one hour adjournment for dinner, perhaps from six to seven. I will also agree that at midnight we should consider a possible adjournment hour if we are not making good progress at that hour and it appears that we will be unable to finish within a reasonable time. I hope, of course, that we will have completed the business now before us before that hour.

Let me make it clear that the motion I intend to put will not be varied except as to the provision for the dinner hour. I will give an undertaking to consider a cut-off hour at a later time.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, unless I am mistaken, when this house is grieved by the loss of one of our colleagues it is customary to adjourn for the remainder of that day. In view of the desire on the part of everyone to have the measure now before us passed as quickly as possible I am wondering whether the house will agree to take all the votes immediately and then adjourn out of respect for the late hon. member for Hull. I might add that we in this party are agreeable to this procedure.

Mr. Speaker: Order, please. Perhaps the Chair could be advised by the government house leader what the motion is that should now be put to the house.

Mr. McIlraith: Yes, Mr. Speaker. I move:

That this house continue to sit after six p.m., subject to an adjournment for a dinner recess from six to seven p.m.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, let it be recorded that I stood, anyway.

Motion agreed to.

CRIMINAL CODE

AMENDMENT DELETING PROVISION RESPECTING HABITUAL CRIMINALS

Mr. David Orlikow (Winnipeg North) moved for leave to introduce Bill No. C-233, to amend the Criminal Code (preventive detention).

Some hon. Members: Explain.

Mr. Orlikow: Mr. Speaker, the purpose of this bill is to amend the Criminal Code by deleting from it section 660 dealing with habitual criminals. I am sure that when this section was enacted it was considered that its provisions would be used very sparingly. The fact is that in recent years in Vancouver, to mention one city, in the neighbourhood of 50 or 60 people have been sentenced under this section to what is in effect life imprisonment. I think this section should now be removed.

Motion agreed to and bill read the first time.

Questions

EXPORT CREDITS INSURANCE ACT

AMENDMENTS AUTHORIZING GUARANTEES TO BANKS, AGREEMENTS WITH FOREIGN GOVERNMENTS, ETC.

Hon. Robert Winters (Minister of Trade and Commerce) 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 Export Credits Insurance Act to authorize Export Credits Insurance Corporation to issue unconditional guarantees to banks in connection with transactions insured by the corporation under sections 13 and 21 of the act; to authorize the corporation, with the approval of the Governor in Council, to enter into agreements with foreign governments in connection with transactions entered into under section 21A of the act to reschedule or revise payment arrangements in respect of debts owed to it under that section; to enable the aggregate liability to the corporation at any time in connection with transactions under section 21A to be increased from four hundred million dollars to five hundred million dollars; and to provide further for certain consequential changes in connection with the administration of the act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR SERVICE IN NEWFOUNDLAND FORESTRY UNIT

Question No. 834—**Mr. Tucker:**

Is the government giving consideration to having members of the Newfoundland overseas forestry unit, who served in world war II recognized as war veterans as were the Newfoundland and other Canadian foresters who served in world war I?

Hon. Roger Teillet (Minister of Veterans Affairs): Yes.

CATTLE USED FOR EXPERIMENTAL PURPOSES

Question No. 1,522—**Mr. Horner (Acadia):**

1. Has the federal government any cattle being used for experimental purposes on private ranches or farms?

2. If so (a) how many head of cattle (b) on whose farms (c) what has this program cost the federal government to date (d) what was the average cost of wintering these cattle last winter?

Hon. J. J. Greene (Minister of Agriculture): 1. Yes, the Department of Agriculture does own cattle used for experimental purposes and which are located on a private farm.

[Mr. Orlikow.]

2. (a) 65; (b) George D. Brown, Pakenham, Ontario; (c) Operating costs for period January 4, 1965 to July 4, 1966—$25,000; (d) $92 per head, approximately.

IMPORT PERMITS FOR CHAROLAIS CATTLE

Question No. 1,629—**Mr. Fulton:**

1. Since July 1, 1963, how many permits or licences to import Charolais cattle into Canada have been issued by the government?

2. What is the name and address of the individual or organization to which each such permit was issued, and how many cattle of each sex were covered in each permit?

Hon. J. J. Greene (Minister of Agriculture): 1. None. Permits issued for the importation of cattle specify the country of origin but not the breed of cattle. However, since July 1, 1963, 67 permits to import cattle into Canada have resulted in the importation of 109 Charolais cattle from France.

2. The names and address of individual permit holders is considered by the department to be confidential information. The sex of animals to be imported is not prescribed on permits to import. The permits referred to in 1 above were for a total of 122 cattle.

ARDA PROJECTS, WATERLOO SOUTH CONSTITUENCY

Question No. 1,643—**Mr. Saltsman:**

1. Have any projects been approved under ARDA affecting the electoral district of Waterloo South?

2. If so (a) what are they (b) what was the objective of each (c) what was the cost of each?

3. Are there any projects affecting this electoral district now under consideration?

Hon. Maurice Sauvé (Minister of Forestry): 1. Yes.

2. For an area of 7,000 sq. miles including the electoral district of Waterloo South—air photography for present land use mapping approved with a federal contribution of $12,250. This project approved under the Canada land inventory will provide federal ARDA with air photos flown in 1966 for interpretation of present land use in preparation of present land maps for Ontario.

For two areas of northern Ontario and the counties of Waterloo and Brant—agricultural soil capability inventory for 1966-67 approved with a federal contribution of $56,330. This project approved under the Canada land inventory will provide information on agricultural soil capability in Ontario for use in our national land capability inventory and

as a basis for land use planning decisions in our ARDA programs.

A farm enlargement and consolidation program for all agricultural areas of Ontario has been approved with a federal contribution of $3,600,000. This project is to acquire land as it becomes available on the market, for consolidation and development into larger economic farm units, either by sale or lease to farmers who have demonstrated good managerial ability in their present operations and require additional land for a more viable operation. Land not suitable for agriculture will be used for forestry, wildlife, or placed in conservation reserves. It also contains provision for the retraining and re-establishment of some of those displaced by the program.

3. No.

PUBLIC WORKS EXPENDITURES, LONDON, ONT.

Question No. 1,711—**Mr. Irvine:**

What amount was spent by the Department of Public Works in the city of London for each of the years 1963, 1964 and 1965?

Hon. G. J. McIlraith (Minister of Public Works): 1963-64, $466,038.17; 1964-65, $343,269.88; 1965-66, $465,148.35.

STUDIES OF GREAT LAKES POLLUTION

Question No. 1,741—**Mr. Irvine:**

1. What research projects is the government and its agencies undertaking with regard to pollution studies and surveys, and causes of and remedies for pollution in the great lakes?

2. What other bodies, corporations or agencies are studying this problem?

3. What sums (itemize) has the government considered for the above projects?

4. What boards or commissions have direct or indirect control or interest in pollution in the great lakes and what are their programs?

5. Are any of the following techniques contemplated by the government to encourage industry to curb pollution (a) special research grants for studies to avoid pollution (b) tax incentive to build or counteract pollution control systems on industrial work beds (c) civil action against industries discharging pollutants?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. There is a coordinated plan of research, by agencies of the Canadian government and government of the province of Ontario, concerning pollution of the great lakes. In general, the federal government is directing its studies toward the body of the lakes and the cause and distribution of pollution that does or may cross the international boundary. The Ontario agencies are primarily concerned with the origins of pollution on land, their effects in the great lakes and their control.

Specific federal government studies include the circulation of the water; properties of the water including chemical impurities, their concentration and probable destination; rate of mixing and diffusion in the lakes; the effect of nutrient chemicals (phosphates, nitrates, etc.) on the excessive growth of algae (eutrophication) and means of alleviating such eutrophication; study of the health hazards from domestic sewage and other wastes originating on land or in boats and means of its control.

2. The Ontario Water Resources Commission is the body primarily responsible for water pollution control under Ontario laws. It conducts research to define the sources and kinds of pollution entering the lakes from industry, municipalities, agricultural drainage and small boats, the distribution of this pollution and the properties of such pollutants and their control. Under the International Joint Commission reference this work has been expanded with financial aid from the federal government.

The Great Lakes Institute of the University of Toronto is conducting surveillance surveys and special research studies of the great lakes under contracts and grants from the Department of Mines and Technical Surveys, the Fisheries Research Board, National Research Council, and the Ontario Water Resources Commission. It is provided with transportation in the ship *Port Dauphine* by the Department of Transport.

Other agencies: In the United States, many federal and state agencies and universities are conducting programs on the lakes, related to pollution and other scientific studies. Among them, major activities are in progress by the department of the interior, federal water pollution control administration; the U.S. lake survey; and the U.S. bureau of commercial fisheries. The University of Michigan, Great Lakes Research Division is a major contributor among the universities. Activities by the individual states are increasing but are somewhat limited, as yet.

Through direct contact with the above agencies, by liaison through the International Joint Commission and by scientific meetings, exchange of information and program planning are achieved on an international basis.

3. During the current fiscal year the funds supporting great lakes investigations are: Department of Mines and Technical Surveys,

$800,000; Fisheries Research Board, $250,000; National Health and Welfare, $300,000; International Joint Commission, $308,000.

Under cost sharing, the Ontario Water Resources Commission is reimbursed through the Canadian section of the International Joint Commission for approximately 50 percent of their costs. Expenditures for subsequent years have not been critically considered by the government and itemized sums are not available. It can be anticipated, however, that sharply increased amounts of money will be required in both the operating and capital votes to meet federal responsibilities.

4. The International Joint Commission. The governments of the United States and Canada referred the following questions to the International Joint Commission for investigation and report:

Are the waters of lake Erie, lake Ontario and the international section of the St. Lawrence river being polluted on either side of the boundary to an extent which is causing or is likely to cause injury to health or property on the other side? If so, to what extent, by what causes and in what localities? What remedial measures would, in its judgment, be most practicable and what would be the probable cost?

The International Joint Commission established the international lake Erie water pollution board and the international lake Ontario-St. Lawrence river water pollution board to undertake, through appropriate agencies in Canada and the United States, the necessary investigations and studies. Canadian members of the boards are officials of the Departments of National Health and Welfare, Mines and Technical Surveys, Fisheries and the Ontario Water Resources Commission. United States members similarly are federal and state officials. The boards drew up a coordinated program of the investigations, surveys and studies required to answer the questions referred to the International Joint Commission, together with an allocation of the work among the several participating agencies to avoid duplication of effort. This program was approved by the commission and, in Canada, is being carried out by the individual agencies and departments as described herein. Co-ordination of activities in both countries is achieved through these boards, which report periodically to the International Joint Commission.

[Mr. Pepin.]

Federal government agencies having an interest in pollution in the great lakes, and their programs are:

Department of Mines and Technical Surveys: Three branches of this department, the marine sciences branch, the water research branch and the geological survey branch are co-operating in the current year's program. This department is concerned with studies of the main body of lake Ontario and to a lesser extent lake Erie, concerning the physical and chemical characteristics of the water. This includes investigations of circulation, and current patterns, mixing and diffusion of pollutants, temperature distribution, bottom sediments—water interface relations, air-water interface phenomena, seismic and airborne geophysical techniques.

The Fisheries Research Board of Canada, under the Minister of Fisheries, which is conducting research on eutrophication of lakes (i.e. the changes brought about by enrichment from pollutants) and means of controlling it.

The Department of National Health and Welfare is conducting research on the health hazards of various pollutants, their sources and distribution in natural waters, and the means whereby they can be suitably treated or otherwise controlled.

The National Research Council through its associate committee on water pollution research is promoting research in universities on specific water pollution problems and the means of improving abatement measures and assessing the significance of pollutants in water; is encouraging training of people in pollution control technology, and is encouraging industry to conduct research and control of pollution from industrial sources.

The Canadian committee on water pollution, formed in February, 1966 by direction of the Privy Council office, provides a forum where federal and provincial agencies can exchange information, co-ordinate their efforts and ensure that all necessary research is being properly planned.

The United States-Canadian great lakes study group is a committee of United States-Canadian engineers and scientists who meet semi-annually to review and co-ordinate all programs dealing with studies in the great lakes.

5. (a) The National Research Council has given a grant under the industrial research assistance program for this purpose. The associate committee on pollution research of

the National Research Council has the matter under active study. (b) The question is not understood. The government does grant concessions on income tax for special research purposes and gives assistance and loans for sewage disposal purposes. (c) Such action is the prerogative of the province.

*GUIDE LINES RESPECTING POLICE INTERROGATIONS

Question No. 1,760—**Mr. Diefenbaker:**

Is the government giving consideration to enactment in the Criminal Code of guide lines respecting police interrogation of suspected wrongdoers and the enunciation of revised principles to be applied in determining the admissibility of confessions?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, the question of guide lines respecting police interrogation of suspected wrongdoers is within the terms of reference of the Canadian committee on corrections which will report thereon in due course and the government will carefully consider the committee's recommendations. It should be noted that in the meantime guide lines are continuing to evolve from the decisions of the provincial courts of appeal and the Supreme Court of Canada. The principles to be applied in determining the admissibility of confessions are also continuing to evolve from such decisions, and while the government is not giving immediate attention to a legislative revision of such principles the question of such a revision is on the list of matters to be studied in the Department of Justice.

* APPOINTMENT OF FEMALE DELEGATE TO HUMAN RIGHTS CONFERENCE

Question No. 1,765—**Mr. Irvine:**

1. Has the Secretary of State for External Affairs received representations from the National Council of Jewish Women requesting the appointment of a lady delegate to the Canadian conference on human rights scheduled for 1968?

2. If so, when were such representations made?

3. What procedure will the government follow?

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the answer to 1 is yes.

The answer to 2 is on June 7, 1966.

The answer to 3 is as follows. The matter of holding a Canadian conference on human rights in 1968 as part of Canada's celebration of the international year of human rights is under active consideration, but no decision has yet been taken to hold such a conference. It follows that no appointments of delegates have been made. The minister responsible for this subject is the Secretary of State who, as a lady, I am sure will take fully into account the opinion of women and women's organizations in such matters.

MARITIME ENGINEERING TRAINING

Question No. 1,780—**Mr. Allard:**

1. What is the system of maritime engineering training put forward by the Department of Transport?

2. Does this system attempt to eliminate stokers and oilers on diesel powered motor ships and steamships?

3. Do Canadian maritime regulations require only one man to be on duty in the engine room?

4. Does the Department of Transport issue permits to non-qualified and non-certificated sailors to allow them to work as engineers and, if so, how many such permits were issued in 1964 and 1965?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Apart from the Canadian Coast Guard College, the Department of Transport has no direct system of maritime engineering training. The several maritime engineering training schools throughout the country are conducted by provincial authorities and assisted through the Technical and Vocational Training Assistance Act, administered by the Department of Labour. The Department of Transport supplies these schools with technical advice and guidance when required.

2. No.

3. Section 115 of the Canada Shipping Act requires one certificated engineer in the engine room at all times. Section 407 of the act requires ships to be manned with a crew sufficient and efficient from the point of view of safety of life; and, pursuant to this provision, it may be necessary that more than one man be on duty in the engine room at any time.

4. When a ship is exempted under section 137 of the Canada Shipping Act from the full requirements of section 115 of the act, such exemption is always conditional upon there being employed a designated individual to whom a permit has been issued by the department after an oral examination has satisfied the department he has adequate experience and knowledge to perform the duties.

Questions

The numbers of permits issued are as follows:—

	1964	1965
Permits issued to uncertificated engine room personnel	371	444
Permits issued to certificated engineers to act in a higher capacity	245	288

*OPERATIONAL STRENGTH, DESTROYER ESCORTS

Question No. 1,783—**Mr. Bower:**

Are Canadian destroyer escorts maintained at full operational strength at all times and, if not, for what reason?

Hon. Paul Hellyer (Minister of National Defence): The complement of Canadian destroyer escorts in peacetime is established by taking into account the tasks which they may be assigned in the performance of their role as operational units of the fleet. All Canadian destroyer escorts in commission are manned at this complement level at the present time with the exception of H.M.C.S. *Terra Nova* which has a reduced complement during the period that her operations are restricted to the conduct of trials on new ASW equipment. When destroyer escorts are taken out of commission for protracted refits or conversion they are not manned. In addition, certain destroyers may be placed in reserve and manned at reduced levels or unmanned.

*ABILITY TO FULFIL NATO COMMITMENT

Question No. 1,787—**Mr. Bower:**

Is Canada in a position to fulfil her commitment to the North Atlantic Treaty Organization to provide a complete division in the event of an emergency in western Europe?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the answer to this question is yes, Canada is in a position to provide the balance of a division to NATO in the event of an emergency, in accordance with the terms of the commitment.

*R.C.A.F. PILOTS IN NON-FLYING CAPACITIES

Question No. 1,788—**Mr. Bower:**

Are any qualified R.C.A.F. pilots employed by that service in non-flying capacities and, if so, how many?

Hon. Paul Hellyer (Minister of National Defence): The answer is yes, 659. Employment of a number of pilots in ground positions is necessary in order to meet a requirement for pilot qualifications in certain staff positions and to facilitate individual career development.

[Mr. Byrne.]

CONSIDERATION OF ALLEGATIONS RESPECTING QUEBEC COURTS

Question No. 1,789—**Mr. Fairweather:**

1. Is consideration now being given by the Department of Justice for an independent investigation to be held into certain allegations made by Edward J. Sommer of Montreal, P.Q. as to the dipsosition of certain actions by the Quebec Superior and Appeal Courts?

2. If the answer to part 1 is no, was the question of holding such an investigation ever considered during the past two years and, if so (a) who was asked to conduct the proposed investigation (b) for what reason was the proposed investigation not proceeded with?

Hon. Lucien Cardin (Minister of Justice): 1. No.

2. No. (a) Not applicable; (b) The complaints are outside federal jurisdiction, relating as they do to property and civil rights and the administration of justice within the province.

WATER SUPPLY, MIDDLE RIVER INDIAN RESERVE, N.S.

Question No. 1,819—**Mr. Muir (Cape Breton North and Victoria):**

What are the plans, if any, of the Department concerned for the provision of an adequate water supply system for the Middle River Indian Reserve?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The Indian affairs branch of the Department of Northern Affairs and National Resources plans to repair or replace the existing unserviceable hand pumps on the 12 drilled wells, to proceed with an engineering study and cost estimate for a water distribution system, and to request the necessary funds in the estimates following the completion of the engineering study.

STATUTE REVISION COMMISSION

Question No. 1,827—**Mr. Bell (Carleton):**

1. Who are the members of the statute revision commission appointed pursuant to chapter 48 of the statutes of Canada 1964-65, and who has been designated as chairman?

2. What progress has been made by this commission in the arrangement, revision and consolidation of the Statutes of Canada?

3. When is it anticipated that the report of the commission may be completed?

4. Is it the intention of the government to attempt to bring the new Revised Statutes of Canada into effect as from the 1st day of July, 1967?

Hon. Lucien Cardin (Minister of Justice): 1. The Minister Justice, Chairman; E. A. Driedger, Q.C., Deputy Minister of Justice; J. Miquelon, Q.C., Deputy Registrar General; R. Bedard, Q.C., Associate Deputy Minister of Justice; D. S. Thorson, Q.C., Assistant Deputy Minister of Justice; J. W. Ryan, Senior Advisory Counsel, Department of Justice.

2. All the current public general statutes have been consolidated in manuscript form in both the English and French versions except for a few chapters enacted during this session of which separate printed chapters are not yet available.

Preliminary revision work has been done on over 350 public general statutes in both languages in manuscript form up to, but not including, the enactments of the present session.

3. The commission is attempting completion for 1968 but this will depend on factors not under the control of the commission, for instance, the number of amendments and new acts enacted by parliament at the resumed 1966 session and the 1967 session.

4. The commission is attempting to complete its report to include 1967 enactments so that the revised statutes can be cited as the revised statutes, 1967. The 1st day of July, 1967, is not a practical date for that purpose.

* PROSECUTION OF COMPANIES UNDER COMBINES LEGISLATION

Question No. 1,829—**Mr. Orlikow:**

Regarding the answer to starred question No. 1,229, will the Department of Justice recommend to the court that the same firm measures applied to the Tilko picketers be also applied to the officials of the four companies who pleaded guilty on March 1, 1965, to violation of the anti-combines legislation and who were also convicted under the same law in 1958 when a prohibition order was granted?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, the order referred to in the hon. member's question was granted in 1958 and applies only to acts or things done after the time it was granted. In the shipping containers case, in which the four companies referred to pleaded guilty on March 1, 1965, the charge covered a period ending in 1954, which is prior to the date of the order. In these circumstances there would be no breach of the order.

ENTRY POINTS OF COMMONWEALTH CARIBBEAN GOODS

Question No. 1,835—**Mr. McCleave:**

1. By what places of entry have goods from the British West Indies, or Commonwealth Caribbean countries, entered Canada (a) by categories (b) by value, in (i) 1955 (ii) 1960 (iii) 1965?

2. Did the recently concluded conference in Ottawa result in changes or concessions as to the means of transportation by which these Caribbean countries could place their products and goods in this country and, if so, what changes or concessions?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Information requested is not available as import statistics by customs ports for 1955 and 1960 are in toto only, and are not broken down by countries or by categories. These data are not available for 1965.

However, the following information may be found in the Dominion Bureau of Statistics publication entitled "Trade of Canada Summary and Analytical Tables, Volume I", (‡65-201), copies of which are located in the Library of Parliament or any public library: Table 13—lists total imports by customs ports—for calendar year 1955, see pages 60, 61, 62 and 63 of the 1955 edition; for calendar year 1960, see pages 74, 75, 76 and 77 of the 1959-60 edition. Table 19—lists imports by main commodity groups, by country, (including Bermuda, British Guiana, British Honduras, Bahamas, Barbados, Jamaica, Leeward and Windward Islands, Trinidad and Tobago)—for calendar year 1955, see pages 74 and 75 of the 1955 edition; for calendar year 1960, see pages 102, 103, 104 and 105 of the 1959-60 edition.

2. The protocol to the 1925 trade agreement signed by the government of Canada and the governments of the Commonwealth Caribbean countries at the conference provides for the waiving of the requirement that goods must be shipped directly from the Commonwealth Caribbean country to a port in Canada in order to qualify for preferential tariff access.

PUBLIC SWIMMING POOLS, NATIONAL PARKS

Question No. 1,837—**Mr. McLelland:**

1. Has the government a policy governing the construction of public swimming pools in our national parks?

2. Has the government considered construction of a heated, regulation-size, swimming pool at Waskesiu in the Prince Albert national park?

Questions

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The National parks policy states that: Swimming pools are acceptable in parks which are listed in category (a) or (b), except where there is adequate natural swimming. In each case their acceptability should be determined by the nature of the park, how it is to be used or intended to be used and the need.

(a) Parks which are basically scenic and nature parks. This includes Banff, Jasper, Yoho, Kootenay, Glacier, Mt. Revelstoke and Cape Breton Highlands. (b) Parks which are basically family holiday parks with a variety of activities in addition to their natural features. This includes Waterton Lakes, Prince Albert, Riding Mountain, Fundy, Terra Nova and Prince Edward Island.

2. Yes.

COST OF ADMISSION TO SWIMMING POOLS, NATIONAL PARKS

Question No. 1,838—**Mr. McLelland:**

What regulations govern the price of admittance which can be charged the public at swimming pools in our national parks?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The National parks general regulations.

BANANA IMPORTS FROM WEST INDIES

Question No. 1,841—**Mr. McCleave:**

1. What has been the amount of the banana imports from the West Indies into Canada during the last 10 years, by years?

2. What is the approximate percentage of the values of such imports brought to Canada through (a) ports directly (b) overland across the border, during the last 10 years, by years?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Imports of bananas and plantains from the West Indies into Canada during the last 10 years are as follows:

Imports from the West Indies

Calendar Year	Quantity Lbs	Value $'000
1956	—	—
1957	76,800	4
1958	—	—
1959	—	—
1960	—	—
1961	—	—
1962	—	—
1963	1,891,652	96
1964	189,554	6
1965	64,124	3

2. (a) and (b) No statistics available.

[Mr. McLelland.]

MUNICIPAL PARKING FOR HOUSE OF COMMONS PERSONNEL

Question No. 1,853—**Mr. Caouette:**

Is the federal government at present negotiating with any Ottawa parking lot owners or with the municipal authorities of the national capital for the construction or reservation of a parking lot for the use of House of Commons personnel, and (a) if so, which companies are concerned (b) if not, does the federal government intend to do so immediately?

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

(a) Not applicable.

(b) No.

CONSTRUCTION OF PARKING LOT FOR HOUSE OF COMMONS PERSONNEL

Question No. 1,854—**Mr. Caouette:**

Is the Minister of Public Works at present negotiating with any companies or contractors for the construction of a parking lot for the use of House of Commons personnel (members and employees)?

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

PARKING ADMINISTRATION, PARLIAMENT HILL

Question No. 1,856—**Mr. Caouette:**

1. Who is explicitly and implicitly responsible for the administration of parking areas on parliament hill?

2. What are the functions and duties of each of these people?

Hon. G. J. McIlraith (Minister of Public Works): 1 and 2. The Department of Public Works designates the areas to be used for parking purposes by each of the following: The House of Commons, The Senate, The Privy Council and the Department of External Affairs. The Speakers of each House, the Clerk of the Privy Council and the Under Secretary of State for External Affairs administer the particular areas designated for the use of the Houses and these departments.

PARKING PERMITS, PARLIAMENT HILL

Question No. 1,857—**Mr. Caouette:**

1. How many people are affected by the latest decision about permits for parking on Parliament Hill?

2. How many permits have been cancelled as a result of the aforementioned decision?

Hon. G. J. McIlraith (Minister of Public Works): 1. The number of people affected

is not known; however, the number of parking spaces has been reduced from 667 to 339.

2. See Part 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COST OF FEDERAL ADVERTISING

Question No. 1,044—**Mr. Orlikow:**

1. What was the cost of advertising placed by the federal government, department by department, in each of the past five years?

2. How much of this advertising was placed in daily newspapers, magazines, radio, television, etc.?

3. What advertising agencies handled this advertising in each of the past five years, and what fees did they receive?

4. Were a number of advertising agencies asked to tender bids on the proposed government advertising and, if so, which ones?

5. What standards were used in deciding the choice of the advertising agencies actually used in each of the past five years?

Return tabled.

SUBSIDIES TO TRANSPORTATION AGENCIES

Question No. 1,447—**Mr. Reid:**

1. What direct subsidies have been granted to Canadian transportation agencies by the federal government since 1945?

2. What was the reason for each of these subsidies?

3. What is the reason for continuing them?

4. How much has been paid out in total under these programs?

Return tabled.

COMPLAINTS ON TELEVISION PROGRAM RESPECTING MOTOR CAR SAFETY DEVICES

Question No. 1,463—**Mr. Scott (Danforth):**

1. Did the government or the Canadian Broadcasting Corporation receive any representations, communications, complaints or otherwise from the automotive manufacturers or anyone on their behalf concerning the program carried by the television show "This Hour Has Seven Days" dealing with the question of the installation on motor vehicles of safety devices?

2. If so (a) what was the nature of the representations, communications, complaints, etc., received by the government, and in reasonable detail what was the government's response, if any (b) what was the nature of the representations, communications, complaints, etc., received by the Canadian Broadcasting Corporation, and what in reasonable detail was the reply of the corporation to them?

Return tabled.

REPRESENTATIONS RESPECTING MOTOR VEHICLE SAFETY SPECIFICATIONS

Question No. 1,464—**Mr. Scott (Danforth):**

1. Has the government or any of its agencies received representations from trade unions involved in the automotive industry, or anyone on their behalf, with regard to the question of safety specifications for motor vehicles?

2. If so (a) how many government departments received representations and what were the names of such departments (b) who made such representations and what, in reasonable detail, were the form and substance either written or verbal of such representations including the identification of the persons making them (c) in reasonable detail, what was the nature of the government's response, if any, to such representations?

Return tabled.

GOVERNMENT PUBLICATIONS SUPPLIED TO SCHOOL LIBRARIES

Question No. 1,545—**Mr. Grégoire:**

1. Do the Queen's Printer and the federal government send free copies of their publications to universities, colleges and school libraries?

2. If so, to how many universities, colleges and school libraries do the Queen's Printer and the federal government send them?

3. Do the Queen's Printer and the federal government send their publications to the colleges and school libraries of Lapointe county?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion No. 144 is acceptable to the government

Mr. Speaker, would you be so kind as to call notices of motions Nos. 126, 146 and 155?

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

[*English*]

CONSTRUCTION OF COLUMBIA RIVER DAMS

Motion No. 126—**Mr. Herridge:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all notes or other documents or correspondence exchanged between the government of Canada and the government of the United States with respect to the building of dams on the Columbia river in violation of article 2 of the Oregon treaty of 1846.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): To the best of our knowledge no

documentation of the kind referred to in motion No. 126 exists.

Mr. Speaker: I wonder whether the hon. member for Kootenay West (Mr. Herridge) heard the explanation given by the parliamentary secretary?

Mr. Herridge: Yes, Mr. Speaker.

Mr. Speaker: Dropped.

POLLUTION OF RED RIVER

Motion No. 144—**Mr. Schreyer:**

That a humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any communications exchanged in the last five year period, between the government of Canada or any agency thereof, and the government of the United States or any agency thereof including the International Joint Commission, with respect to the problem of water pollution of the Red river and particularly with respect to any testing that may be carried out to determine the degree of pollution.

Motion agreed to.

OBJECTIONS TO SHOWING OF FILM ON SEALING

Motion No. 146—**Mr. Flemming:**

That an order of the house do issue for a copy of all letters, telegrams and memoranda of telephone conversations between the Prime Minister and/or any other minister, and the Canadian High Commissioner in London, which authorized the High Commissioner to raise objections, successfully, to the showing of a 1964 Canadian film depicting the cruelties of sealing in Canada which the newspaper the *Observer* had included in the wildlife exhibit it was sponsoring.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am advised that no communication of any kind was exchanged between the minister, the department, and the high commissioner in London requesting or authorizing the latter to raise objections to the showing of a film on seal hunting at the *Observer* wild life exhibition.

Mr. Speaker: Dropped.

CORRESPONDENCE BETWEEN INDUSTRY MINISTER AND R. M. WHICHER

Motion No. 155—**Mr. Loney:**

That an order of the house do issue for a copy of all correspondence dated since November 8, 1965, between the Minister of Industry and Ross M. Whicher, M.P.P. Bruce.

[Mr. Macdonald (Rosedale).]

Hon. C. M. Drury: This motion is acceptable.

Motion agreed to.

LABOUR RELATIONS

RAILWAY STRIKE—REPORTED STATEMENTS RESPECTING RETROACTIVE PAYMENTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the fact that the interviews carried by the C.B.C. last evening by Mr. Gordon, president of the C.N.R. and Mr. Sinclair, president of the C.P.R, were to the effect that no provision had been made under either the legislation now before the house or the legislation to come for the payment of extra amounts in so far as they are retroactive, is the Prime Minister in a position to say whether the statements were correct?

Will he tell the house at the same time whether these recommendations or similar ones were made to him by these two gentlemen and what is the reaction of the government thereto?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in my view there was nothing said on the program in question which interfered in any way with the desirability and the possibility of implementing the legislation now before the house, if the house adopts that legislation.

The railway representatives, when they called on me yesterday, did indicate they might have some difficulty in carrying out this legislation because of revenue considerations. They outlined their position to me, Mr. Speaker, and I said I would look into it.

[*Later:*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Prime Minister. Further to Mr. Sinclair's remarks wherein he stated that the second bill before the house does not provide any extra money for the railways that they do not already possess, does the Prime Minister wish to revise his opening remarks about the relationship between the two bills, and state whether he still intends to proceed immediately with the second bill?

Mr. Pearson: No, Mr. Speaker, I do not wish to revise my remarks. I suggest to Mr. Sinclair that he read the bill a little more carefully.

Mr. Starr: That applies to Mr. Gordon, too.

Mr. Bell (Saint John-Albert): A supplementary question, Mr. Speaker; I am sure Mr. Sinclair is noting these remarks. Is it still the intention of the government to proceed immediately with the second bill?

Mr. Pearson: Yes, Mr. Speaker, immediately after we can get passage of the bill before us.

RAILWAY STRIKE—UNION REQUEST FOR RECONSIDERATION OF LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the right hon. Prime Minister whether he has received from the representatives of the railway unions a letter dated today, a copy of which had been sent to each of the party leaders as well as to the Minister of Transport (Mr. Pickersgill) and the Minister of Labour (Mr. Nicholson) asking for a reconsideration of the legislation before the house in order that the members of these unions might comply with whatever action parliament takes? May I ask the Prime Minister whether he has received such a letter and whether he is prepared to make any statement regarding the question contained in it?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the letter in question was left in my office shortly after 2.20 p.m. At that time I was in conference with some of my cabinet colleagues. The letter was delivered to me just before I came into the house, and I understand it was made public before I was able to read it. I will naturally, without delay, give it the consideration which the importance of the subject matter and the positions of those who signed the letter warrants.

[*Translation*]

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker.

The Prime Minister seems to have read those letters, one of which comes from Mr. McLoon, chairman of the strike committee, in New Brunswick, and the other from Messrs. Smith, P. Kelly and T. W. Read.

Does the Prime Minister not feel that both letters mean about the same thing, that is they constitute an anticipated defiance of the act which may be passed by parliament and of public order in this country? It is blackmail of a sort. Could the Prime Minister tell us what action he intends to take with respect to that blackmail or that invitation to break the law of the land?

[*English*]

Mr. Pearson: I do not recall having received such a letter as that to which my hon. friend refers. It was not delivered to me. The first letter referred to by the hon. member for Burnaby-Coquitlam, as I have just indicated, was put into my hands just before I came into the house. I am going to study it immediately.

COMMONWEALTH RELATIONS

ZAMBIA—POSSIBLE FAILURE OF PRESIDENT TO ATTEND CONFERENCE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a question that relates to another crisis confronting the Commonwealth and particularly the countries of Africa. Will the Prime Minister tell us whether he has been in communication with the Prime Minister of Great Britain or the President of Zambia, and whether the situation that may be created by the action of the President of Zambia is to be dealt with prior to the meeting of the prime ministers next week?

Right Hon. L. B. Pearson (Prime Minister): I have been in communication with the Prime Minister of the United Kingdom with respect to the forthcoming conference during the last two or three weeks. I have been in communication also with the head of the government of Zambia during that period. As a matter of fact I wrote him the other day urging him to attend the conference, where I think his presence would be most important and valuable. I had hoped that he would be there. I have not heard from him since his decision was announced yesterday not to attend the conference.

NATIONAL DEFENCE

R.C.A.F.—MAINTENANCE OF AIRCRAFT USED TO TRANSPORT PERSONNEL

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a question I wish to direct to the Minister of National Defence, Mr. Speaker. Will a court of inquiry be convened to investigate the circumstances concerning the lack of performance and subsequent emergency repairs prior to and during the

flight of the service aircraft transporting military cadets from Winnipeg through intermediary points to Vernon, British Columbia and return?

Hon. Paul Hellyer (Minister of National Defence): I will take the question as notice, Mr. Speaker.

Mr. McIntosh: May I ask a supplementary question. In view of the fact the minister is taking the last question as notice, would he inquire into whether there are sufficient qualified service personnel to service and maintain DC-6 aircraft presently used by the R.C.A.F. in a manner conducive to highest standards of air safety?

Mr. Hellyer: I do not believe we have any DC-6 aircraft.

Mr. McIntosh: They are used to transport troops.

Mr. Hellyer: The Yukon is not a DC-6; it is a modified version of a British aircraft.

Mr. McIntosh: The aircraft used presently by the R.C.A.F. to transport personnel.

THE CANADIAN ECONOMY

CONSIDERATION OF WAGE AND PRICE GUIDE LINES AT FORTHCOMING MEETING

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): My question is based on a reply the Minister of Finance gave yesterday to the right hon. Leader of the Opposition, when the minister stated that the federal government has no intention of proposing a set of wage and price controls at the forthcoming meeting of the provinces. I should like to ask the minister if the federal government is considering proposing a set of wage and price guide lines at that meeting?

Hon. Mitchell Sharp (Minister of Finance): When, as I hope will happen soon, an opportunity occurs to debate the general economic situation and inflationary pressure which now exists, I hope I shall have an opportunity of expressing a view on this matter.

Mr. Grafftey: I simply ask the minister, apart from the forthcoming debate, if at the present time the government is considering a set of wage and price guide lines.

Mr. Sharp: This subject has, of course, been under consideration by the government over quite some period. It has been referred also to the Economic Council of Canada, and the fact that there has been such a long delay in that report being presented is perhaps the best indication of the very serious difficulties involved in applying the principles of guide lines in Canada.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance. He is apparently looking into numerous solutions to the inflation problem. Has he thought or is he thinking about applying the same methods used by the labour government in England to check inflation in that country?

[*English*]

Mr. Speaker: Order. That question is not in order.

Mr. Sharp: I hope we do not have to deal with such a situation in this country.

FINANCE

REQUEST FOR LOW COST LOAN FOR B.C. BRIDGE CONSTRUCTION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Minister of Finance of which he has knowledge; and with your permission, sir, I am advised he is prepared to answer at this time. If a request is made, will the province of British Columbia be granted a long term federal loan at the government borrowing interest rate and the provision for delayed repayment, for the construction of a bridge and approaches across Vancouver harbour, under provisions similar to those granted by the federal government for the construction of a bridge and approaches at Saint John, New Brunswick?

Mr. Speaker: Order, please. Although the minister may have expressed his willingness to answer the question, it is purely hypothetical and is not in order.

INQUIRY AS TO TAXATION COMMISSION REPORT

On the orders of the day:

Mr. Jack Irvine (London): I should like to direct a question to the Prime Minister. In light of the fact that a federal-provincial conference has been called for September 14, has the Prime Minister received the report of the Carter commission in either official language?

Right Hon. L. B. Pearson (Prime Minister): No, it has not been received yet, Mr. Speaker,

but we have been pressing the commissioner to get it before us with the least possible delay. I do not know whether the Minister of Finance has had any word in the last few days.

Mr. Irvine: May I ask a supplementary question. In view of previous statements made by the Minister of Finance, that he or his officials have seen certain chapters of this report, may I ask if those chapters have been made available to the provincial treasurers?

Mr. Sharp: I am glad the hon. gentleman has asked this question because there was a reference in a newspaper column the other day to the suppression by the Canadian government of the Carter commission report. I was very happy that Mr. Carter clarified the position in a letter published in the *Globe and Mail*, in which he said:

> It is only fair to point out that there is no suppression by the government and in fact there continue to be a few chapters which are not entirely completed . . .
>
> I write this letter only because I consider it quite unfair to charge the government with withholding a report which they have not yet received.

Even if we wanted to show the report to the provincial governments, we do not have a report to show them. I think it would be quite inappropriate to show those draft chapters which, for the reasons I have given the house, have been seen by my officials.

Mr. Irvine: I am wondering, then, if the minister would like to enlarge further upon his statement of January 24, Mr. Speaker?

Mr. Sharp: No, Mr. Speaker.

OLD AGE SECURITY

PROVISION FOR DELIVERY OF OLD AGE PENSION CHEQUES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I should like to ask the Minister of National Health and Welfare if, under the circumstances with which we are confronted, he has made provision for the delivery of the old age security pension cheques.

Hon. A. J. MacEachen (Minister of National Health and Welfare): I do not understand the import of the question, Mr. Speaker.

Mr. Winkler: It is simply this. If the strike with which we are dealing in any way inhibits the distribution of those cheques, has the minister made provision for their distribution?

Mr. MacEachen: I am sure the procedures that have been followed in the past will be followed in this case.

CANADIAN CENTENNIAL

GRANT TO STANLEY RYERSON FOR BOOK ON CANADIAN HISTORY

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): I should like to direct a question to the Secretary of State, as the minister reporting to this house for the centennial commission. I am wondering if the minister is aware that the centennial commission has approved a grant of $2,000, under the commission's centennial publication assistance program, to one Stanley B. Ryerson of Toronto, reputed editor of the *Marxist Quarterly*, as a centennial project for a book on Canadian history on the theme of "Canada, the Unequal Partnership"? If so, is she satisfied with the propriety of such a decision?

Hon. Judy V. LaMarsh (Secretary of State): In answer to the first part, yes, I am aware of it. In answer to the second part, no, I am not very happy about it.

Mr. Lambert: May I ask a supplementary question. I am wondering if the minister would be prepared to table a statement outlining the criteria used by the selection committee in assessing applications under this whole program?

Miss LaMarsh: I would be happy to do that if the rules so provide, Mr. Speaker.

PUBLIC SERVICE

INQUIRY AS TO RESUMPTION OF SITTINGS OF JOINT COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of National Revenue based on correspondence from members of local 12 of the letter carriers union of Vancouver, British Columbia, from Ontario members, and other members of this union in Canada. Mr. Speaker, I need not tell you that the minister is just dying to answer.

Can the minister inform the house when the special joint committee of the Senate and the House of Commons on employer-employee relations in the public service of Canada will resume its sittings? Can the

minister inform the house whether opportunity will be provided for the postal workers to make representations to be excluded from Bill C-170 and to be included under the provisions of the Industrial Relations and Disputes Investigation Act?

Mr. Speaker: Order, please. As I would not want to be responsible for the minister's untimely demise, I will allow the question.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I am not certain I shall die if I do answer, but I may if I do not.

With respect to when the committee will meet, it is of course up to the chairman and the members of the committee as to when that committee will be called together again. With respect to the other part of the question, as to whether postal workers will have an opportunity of making the representations mentioned, this again is up to the joint committee of the House and the Senate. I understand, however, that all civil service organizations will be given full opportunity to make representations to this joint committee.

PARLIAMENT HILL

REQUEST FOR CONSIDERATION OF PARKING PROBLEM

On the orders of the day:

Mr. Raymond Langlois (Mégantic): In the absence of the Minister of Public Works may I address my question to the Prime Minister. My question pertains to a strike which may take place among newspapermen, members of parliament, House of Commons staff, employees, and anybody else concerned with respect to parking on parliament hill. It is to prevent such a strike that I draw this matter to the Prime Minister's attention. Will the Prime Minister look into the restrictions which have been imposed in this matter and see whether an equitable solution may not be found, which could be satisfactory to all persons concerned?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad to set up a conciliation board.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker. Would the Prime Minister not take into account the views of many who feel that the parliament grounds have never looked better?

Mr. Pearson: I certainly will, Mr. Speaker.

[Mr. Herridge.]

THE MINISTRY

INQUIRY AS TO PROCLAMATION OF ORGANIZATION BILL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can he say whether Bill C-178, having to do with government organization, under which ministers and departments get new names, has yet been proclaimed? If not, can he say when it will be proclaimed?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it has not been proclaimed, but that has not interfered with the implementation of the bill. When the Governor General returns to Ottawa shortly we hope to be able to proclaim this bill formally. That will be in a few weeks.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

QUEBEC—REQUEST FOR RETURN OF ALL INCOME TAXES

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Finance concerning the forthcoming federal-provincial conference on taxation.

Can the minister tell us whether he has received a request from the Quebec government asking that 100 per cent of the revenue accruing from the personal income tax be handed over to that province? Does the minister intend to comply with this request of the Quebec government?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker, I have received no such request.

NORTHERN AFFAIRS

YUKON—INQUIRY AS TO APPOINTMENT OF COMMISSIONER

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. In view of the fact that the Yukon territory has been without a commissioner since June, can the minister inform the house when an appointment will be made and whether the appointee will have the local

authority and autonomy desired by the citizens of the Yukon territory?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, it is quite true that no appointment has been made to the commissionership since the retirement of Mr. Gordon Cameron. I expect that an appointment will be made at an early date.

I had noted the recent visit of the hon. member, in which he suggested that nothing had been done in the Yukon since 1952. I want to tell him that a number of things have been done, including the payment of a large number of bad debts incurred during the time he was in charge of the department.

We hope that an appointment will be made in the matter of a very few weeks. I think no harm whatsoever has been done in the interregnum.

Mr. Starr: Who is going to pay your bad debts?

Mr. Dinsdale: A supplementary question, Mr. Speaker. I am wondering whether the minister was accurate in mentioning 1952 as the date. I think he must have drawn that particular year out of a hat. Could he not answer the latter part of my question, which I think is most important, as to whether the appointee, when and if he is appointed, will have the local authority and autonomy which is very urgently requested by the citizens of the Yukon territory.

Mr. Laing: Mr. Speaker, I quoted 1952 from the press. I was not responsible for the confusion of the hon. member.

The second point of the hon. member's question deals with additional responsibilities with respect to the territories, which I anticipate will be undertaken in amendments that we intend to bring before the house as soon as possible.

Mr. Dinsdale: A further supplementary question, Mr. Speaker. Can the minister indicate when we might expect the Carrothers commission report.

Mr. Laing: Mr. Speaker, I am now in possession of a copy of the report on the government in the Northwest Territories—the Carrothers commission report. It would be my intention to table it in the house at once, if we had the French translation. We are making inquiries as to how long that will take, and if it should take an undue period of time I shall ask permission of the house to table the English version, with the commitment of having the French version tabled as soon thereafter as possible.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

BAR ASSOCIATION REQUEST FOR COMPULSORY BREATHALIZER TESTS

On the orders of the day:

Mr. Barry Mather (New Westminster): I have a question for the Minister of Justice which has to do with the traffic death toll on our highways. Will the minister give consideration to the appeal made yesterday by the Canadian Bar Association, with respect to the establishment of compulsory breathalizer tests for impaired drivers?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, as the hon. member knows, the department has given this matter considerable consideration in the past. Among other things, it has been following quite closely the work of the Canadian Bar Association in this matter. At one period it was rumoured that the bar association had withdrawn the resolution because of some technical difficulties. It was only this morning that I saw in the press report that the resolution had been accepted. I can assure the hon. member that we will look into the resolution very carefully.

[*Translation*]

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Prime Minister.

Can the Prime Minister tell the house when he expects to receive the Laurendeau-Dunton report on bilingualism and biculturalism?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, but I hope before the end of the year.

[*Translation*]

ROYAL CANADIAN MINT

REASONS FOR REDUCTIONS IN STAFF

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the Minister of Finance.

Could he inform the house whether the announcement that 25 employees of the Royal Canadian Mint are to be laid off at the end of September is the result of the government's tight money policy?

Inquiries of the Ministry

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Not quite. The reason some workers are being laid off from the mint is that the mint has caught up with the demands for currency.

HEALTH AND WELFARE

REGULATION AND CONTROL OF DRUG LSD

On the orders of the day:

Mr. William Dean Howe (Hamilton South): My question is addressed to the Minister of National Health and Welfare. Has consideration been given to the regulation and control of the drug LSD.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker.

COMMONWEALTH RELATIONS

REQUEST FOR STATEMENT ON MATTERS TO BE CONSIDERED AT CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Prime Minister whether later this week, and before he leaves for the prime ministers' conference in London, the house might have an opportunity for two or three hours to hear from him regarding various matters which will come before that conference and, in particular, what will be the attitude of Canada toward the situation in Rhodesia.

He will recall that when embargoes were imposed and sanctions applied, we took the stand they would never be effective, and the government held the other view. I ask this question because of an article by Mr. Edmonds, at one time I think a close associate of the Secretary of State for External Affairs (Mr. Martin) who contends that only the use of force will bring about a settlement in Rhodesia. That is a serious suggestion to make and one which I think parliament would not accept.

Mr. Martin (Essex East): That is the view I stated the day before yesterday.

Mr. Diefenbaker: Well, I wish it had been stated to Mr. Edmonds, who occupied a very close relationship with the minister and was often his lead. I would ask the Prime Minister whether something along these lines might be achieved.

[Mr. Laprise.]

Right Hon. L. B. Pearson (Prime Minister): I will discuss the matter with the government house leader and he will perhaps meet the other house leaders to see whether it could be arranged. I myself would welcome the opportunity of discussing these important questions, though I would point out, as the right hon. gentleman knows, that a final decision on such an important international policy could only be reached by the government in light of the reports we get from the sanctions committee of the commonwealth in London, and also in light of the statements made and the policies put forward by other members of the commonwealth. Subject to that, I would welcome the opportunity for a discussion of this matter.

Hon. Gordon Churchill (Winnipeg South Centre): In view of the interruption I heard from him I should like to ask the Secretary of State for External Affairs whether he will give a clear answer to the question he was asked on August 29. The question was put in these words by my hon. friend from Oxford (Mr. Nesbitt): "Is it now the policy of the government to employ force if necessary to dislodge the present government in Rhodesia?" In reply the minister gave this vague answer: "I know of no basis for that question."

Never mind talking about the basis of the question. Let the minister tell the house whether it is government policy to advocate the use of force in Rhodesia.

Mr. Martin (Essex East): Mr. Speaker, I think my reply was very appropriate.

EDUCATION

INQUIRY AS TO DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): I address this question to the Prime Minister. Can the right hon. gentleman say when the federal-provincial conference to deal with education is to be called?

Right Hon. L. B. Pearson (Prime Minister): I am not sure of the exact date. Perhaps the Secretary of State will be able to tell me the exact date of that meeting—whether it has yet been fixed. She will inform me and I will inform the hon. member tomorrow.

Mr. Chatterton: In view of the general expectation of students that the government's student loans and scholarship bill will be available in September, can the Prime

Minister say whether consideration will be given to introducing that bill at the earliest opportunity?

Mr. Pearson: I shall be glad to give consideration to that.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Further to that, there is the matter of legislation dealing with increased per capita grants to the universities as announced by the Prime Minister in his letter to the premiers dated January 17 last and printed as an appendix to *Hansard* on February 10. Since that legislation will cover among other things the university year 1966-67, and with the opening of the universities close at hand, is this not a matter of very great importance and urgency?

Mr. Pearson: I certainly appreciate both the importance and the urgency of the matter, but as the right hon. gentleman knows this was a subject on the agenda of a federal provincial meeting which was to have taken place in Victoria, British Columbia, in July. For reasons which the Leader of the Opposition will appreciate, that meeting had to be postponed. I cannot remember the exact date when it will be held, though I have been asked the question; I think it is toward the end of September. But I will check on that immediately.

NATIONAL DEFENCE

COMMITTEE CONSIDERATION OF INTEGRATION MEASURES

On the orders of the day:

Mr. J. M. Forrestall (Halifax): I wish to direct a question to the Prime Minister and ask him whether it is the intention or aim of the government at this time not to refer the events which have taken place since June 23 to the standing committee on defence for futher review.

Right Hon. L. B. Pearson (Prime Minister): The Minister of National Defence dealt with this matter yesterday, and I think it is highly proper that these questions should be referred to the committee on defence.

Mr. Speaker: Order. The question period has expired.

• (3:40 p.m.)

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

The house resumed, from Tuesday, August 30, consideration of the motion of Mr. Pearson for the second reading of Bill No. 230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees, and on the amendment thereto of Mr. Diefenbaker.

Mr. Norman Fawcett (Nickel Belt): In rising today to take part in the debate on the bill now before the house I hope I can make some small contribution toward a solution of this serious problem which is facing the country today. I hope that perhaps in some small way I can influence someone on the government side to take a second look at the measure which is before us and make some reasonable changes in it.

As I speak today, I am not speaking, as the phrase goes, off the top of my head. I am speaking as a railroader with 25 years of active experience on the railroad. I am also speaking as a representative of one of the unions involved in the strike today—the operating union, the Brotherhood of Railway Trainmen. I was a representative for them for 15 years, and their representative in matters of legislation for four years. I have been closely associated with the railroads and with the unions throughout my period of service in the industry, so I think I can speak with some authority on the railroad problem and on what the railroaders are thinking today.

I shall be a little kinder to the railway companies than was my colleague, the hon. member for York South (Mr. Lewis) who stated, in effect, I believe, that the railway companies did not negotiate. I would say that I deplore the very negative approach they take toward collective bargaining. I assure you, Mr. Speaker, that in making this statement I am being very kind to them.

There is clear evidence of this negative approach in the fact that this is the fourth time the government has had to intervene in railroad labour-management disputes. It is also proof that the railroads are not approaching collective bargaining in the same manner as collective bargaining is generally carried on between industry and labour. This

has been my experience both as a railroader and as a union man.

I listened with great interest to the hon. member for Verdun (Mr. Mackasey) last night. He spoke with sincerity. I would have to agree with a good part of what he said, but I cannot be as optimistic as the hon. member in respect to the railroads sincerely getting down again to negotiations with the unions in order to bring about a better settlement. This legislation contains no hope of that. I am satisfied the railroad companies are going to stand pat and take their chances on arbitration. This may be a personal opinion, but my experience with the unions gives me a good foundation for making that statement.

I would also like to tell the hon. member for Verdun that it is not a matter of the railroaders not properly understanding the provisions of Bill C-230. Rather, it is a case of their understanding too well the attitude of the railway companies in the matter of collective bargaining. This is the problem. They have no faith in the companies resuming negotiations and giving them any more than is outlined in this bill.

The hon. member for York South (Mr. Lewis) said one of the problems in the railroad industry concerned the lessening gap in the pay structures for skilled and unskilled workers. I am quite sure my colleague did not intend no imply that the so-called unskilled workers are overpaid. The point he was trying to make was that the pay differential between skilled and unskilled workers was not enough. In this connection I do not think the railroads are fair in classifying skilled and unskilled workers. I feel certain many unskilled workers could be classified as highly skilled workers.

My experience lay in the operating field, but my sympathy goes out to the non-ops because I believe they have suffered more discrimination in the matter of inadequate pay. The problems of the operating groups are numerous, but they are different from those of the non-ops.

The section foreman is one of the most important people on a railroad, yet in a sense he is looked down upon, even though there is no more hard working man in the industry. He must acquire a good understanding of basic engineering. He is responsible for the proper elevation of tracks and other work which, if not done properly, could contribute to accidents, injuries and possibly death. Yet his take-home pay is a national disgrace. All through the years these people have been deprived of a proper income. Many of them are now being pensioned off and because of their low rate of pay their pensions are totally inadequate.

Railroad bridge and building crews are also highly skilled workmen. They build bridges. They do all the heavy work in the construction. They maintain them. They build houses and even do cabinet making. I believe their services are not recognized in the proper manner.

I can give an example of their wage rate. One constituent of mine was with the C.N.R. bridge and building section. He took his pension two years earlier than required and got a job in construction which paid him $1.78 more per hour than he was paid when working on the railroad, plus $2.60 a day travelling expenses. This is adequate proof that the railroaders are underpaid. Freight and express workmen are another group which is badly underpaid. I can cite the case of an express clerk who is married and is trying to rear his family on take-home pay of less than $300 a month. Another clerk with 15 years seniority has take-home pay of approximately $280 per month, and he is a marrried man with five children. Is it any wonder that such people are hostile when they think the government would consider such a measly increase as is offered in this bill?

I quite understand that hon. members on the other side of the house have said that this is an open-end formula, that it involves only an interim payment; but from my experience in negotiations with the railroads I have a strong feeling that. if the bill passes unamended, it will be many months before the workers get an additional raise. The increase offered by the bill is meagre and does not alleviate the position in which railroaders find themselves today.

Railroaders are the most maligned of people. No others in industry have been criticized so much for feather-bedding; yet it is rather odd that railroaders are being made redundant and can still be responsible for a national crisis because they walk off their jobs.

I do not wish to take the time of the house to explain the pay structure of the operating crafts. No one would be much the wiser if I did because it is one of the most complex formulae to be found anywhere. In it there is real inequality. I agree that many of the operating people, if they hold good positions in freight or passenger service, can make a reasonably good monthly wage. But by the

same token there are many more who, due to the complex wage structure, are subject to very low wages if they do not have the seniority required in order to hold a decent job.

• (3:50 p.m.)

Just as an example, while these men work on a mileage basis, if they are working on jobs where mileage does not accumulate and where there is less road mileage than 100 miles involved, their rate is $2.09 an hour. Under circumstances where a man is forced on a job, I think this is a very unrealistic wage in this day and age. If he works on a run of over 100 miles, he is paid by the mile and receives $16.35 for every 100 miles. This inequality does not exist because the men want it. It does not exist because the unions have not tried to do something about it. It exists because every time the unions attempt to have something done about it the company will go along with the discussion but will not do anything about it. They do not want to bring the poorly paid man up to the rate of the better paid man: They want to bring the better paid man down to the level of the lower paid man. This is the only time they want to negotiate on this.

Time after time our unions have tried to do something about this inequality and bring about a more simplified pay structure. The companies are more concerned with trying to cut the wages of the higher paid workers, and therefore they never get off the ground so far as this particular subject is concerned. The yard conductor switchman always works on an hourly basis. His rate is $2.66 an hour. I would say that on the average a yard conductor's service with the company would be anywhere from 20 to 40 years. When a man has put in 20 to 40 years on a job, has the skills required to perform that job properly and is required to take the responsibility for the involvement of machines worth hundreds of thousands of dollars and goods worth hundreds of thousands of dollars, I think $2.66 an hour is absolutely outrageous. When you add the 6 per cent on to that it is hardly worth mentioning.

Last night I listened with interest to the Minister of National Health and Welfare. He too seemed to be optimistic that when the chips were down the companies would sit down to negotiate. I should like to remind the Minister of National Health and Welfare that at the time a unanimous report of a conciliation board was more or less forced down the company's throat, this was government intervention too. Even though the conciliation board was unanimous in recommending a formula for settlement, the company would have no part of it, and at this time too it almost resulted in a crisis.

Therefore, I must reiterate what I said before. I am not optimistic that if this bill is passed there will be any very decided improvement for the workers for a great time to come. I can see months of delay and frustration while the men get more bitter all the time.

I should like to refer also to what the hon. member for Red Deer (Mr. Thompson) said with regard to the Freedman commission report—that is, that the recommendations of the Freedman commission report should be referred for negotiation between the companies and the unions. I am not criticizing the hon. member for Red Deer, because as is the case in respect of a majority of people, I am quite sure he does not understand that the only reason there was a wildcat strike on the Canadian National Railways is that the unions for years have tried to have written into their contract the same things that are recommended by the Freedman commission report. In this regard they have not met with any success. This is the only reason there was a wildcat strike on the Canadian National Railways.

This time again, when the unions and the company were trying to negotiate there was a proposal from the unions that the recommendations of the Freedman report be part of the contract. The company turned thumbs down on it; they absolutely will not negotiate. The only way it is going to be put into effect is by government legislation; make no mistake about that.

Like all union members I am opposed to compulsory arbitration. I do not think it solves anything. If we ever get to the point where all these disputes go to compulsory arbitration, management will not settle at any time; they will sit back and gamble in the hope that when it goes to compulsory arbitration they will get the best of the deal. Without criticizing arbitrators, our people do not have confidence that when the company goes to arbitration it does not get a little the best of the deal. This is another thing which is bugging the railroaders today.

The point I wish to make most clear is the fact that it is not because the railroader does not understand Bill C-230 that he is so upset today. It is because he does understand how

the companies have been negotiating for the past 16 years since the strike of 1950. It is my opinion that never since 1950 have the companies sat down and negotiated in good faith. Perhaps there has been some token negotiating, with the understanding in the back of their minds that eventually there would be government intervention and that if there is government intervention they would have the government on the spot; either the taxpayers would have to pick up the tab or the government would have to step in and relieve them of some of the burden which they find, or pretend to find, too heavy to bear.

I am not going to argue the point about inability to pay. I recognize the fact that railroads perhaps are not in as favourable a position as is most industry when they have to provide additional wages. I should like to say very strongly, however, that I do not think the Canadian Pacific Railway has a good argument in respect of inability to pay. So far as the Canadian National Railways are concerned, if they were not burdened with an unrealistic debt which I think costs in the neighbourhood of $60 or $70 million a year in interest, I feel they could not plead inability to pay either.

To a great extent the position the railways find themselves in today is their own fault. It is only in the past few years that the railways have got off their behinds—if you do not mind my saying that—and have tried to modernize. They wanted to sit there and let somebody else carry the burden for them. I do have a little optimism. In the past few years I think they have tried to get back into the transportation field and have tried to compete on a fair basis. However, I still suggest that the railways can blame themselves to a great extent if there is inability to pay today, so far as railroad operation is concerned.

Mr. Speaker, from the start I never intended to take up too much of the time of the house. I should like to say something in conclusion, and if this gets out to a lot of the union men I might not be too popular with them. I should like to have it clearly understood, however, that I do not in any way subscribe to defiance of the law, under any circumstances.

Some hon. Members: Hear, hear.

Mr. Fawcett: I say this very sincerely, and I say this having in mind my own experience. I was involved in an illegal strike two years ago. The issues at that time were not as great, perhaps, as they could be in this case if the situation were to get out of hand. Our defiance was token defiance against our employer and not against the government in that particular instance. It was very forcibly driven home to me at that time that there is a very thin line between sound reasoning and unreasonableness. There is a very thin veil between democracy and anarchy, and the lack of a few sensible people in the right places at the right times may lead this country into difficulties which may take months to resolve.

• (4:00 p.m.)

For the reasons I have outlined I should like to go on record as one of many who implore the railway employees to obey the law regardless of circumstances. On the other hand I should also like to implore the government to change Bill C-230 to make it more acceptable to those involved, because as it now stands it is not acceptable. I hope when this bill reaches committee consideration the government will be prepared to accept certain reasonable amendments.

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, it was not my intention to take part in this debate at the very beginning, but as it apears that it will be longer than expected, I will take a few minutes to state part of my views and also add to the sauce offered to us by the government as well as the opposition. I would like to add some spice to the main speech delivered by the Leader of the Opposition (Mr. Diefenbaker). After hearing the voice of those two parliamentary leaders, we finally have a rather tasteless and stale sauce. Perhaps another cook might improve the taste.

The more I consider the attitude of the Prime Minister (Mr. Pearson) and that of the Leader of the Official Opposition, the more I find they are the same.

When we take the time to read carefully the speech delivered by the Prime Minister in favour of the bill before us, we are carried back a few years when a similar situation occurred and the argumentation of the government in office to settle the problems at that time was put forward.

As for the Leader of the Opposition, he does exactly the same thing. He gives us a history lesson, the conclusion reached is that what the other has done at the time he was either in the opposition or in power. After the history lesson, the conclusion reached is that when they are on the government side, they are both the same, and when they are on the

opposition side, they are also both the same. To protect the rights of the workers, their interests, their welfare, both were better in opposition. Mr. Speaker, why do we not take these two parties and put them where they would be most productive, both in opposition, and bring to power a third party that would come up with a settlement once and for all, since both of them are better in opposition and since, when they change sides in the house, they also change their argument as easily as they change their shirt.

That is the problem and it never changes, but that will not truly solve the problem facing the country today. It was bypassed in the past and there will be more pussyfooting about without a final settlement. If the necessary measures, if effective and essential measures were taken to settle the problem of the railroad workers' strike, the same formula could possibly be applied to settle the many other strikes with which the country is faced at the present time. Such, Mr. Speaker, are my observations not only as concerns this discussion, on this particular bill, but ever since I have had the opportunity of sitting in this house.

[*English*]

The railway strike affects all spheres of the Canadian economy and productivity. We must ask ourselves why this strike is taking place and why the many other recent strikes have taken place. We must realize that more strikes are imminent because we are travelling a vicious circle. As salaries are increased the cost of living increases, and this is inevitably followed by more strikes for higher wages to compensate for the rise in costs. This cost of living is spiralling higher and higher and we have no idea when it will stop.

Provincial governments are not happy about the situation. I am sure that if this situation existed 50 or 60 years ago counterparts of men like Mr. Ross Thatcher would have come to Ottawa with six-guns to settle these problems with the prime minister. Housewives all over the country would like to go after the Prime Minister (Mr. Pearson) with rolling pins because of the high cost of living.

Why does the Prime Minister not have solutions to these problems? Perhaps it is because he spends his time looking for more peace prizes. I do not know what the Prime Minister intends to do to correct the existing situation, but I do know something has to be done. Let me add my grain of salt to this sauce in the hope that it will gain some

flavour. Let me express my opinions in the hope that the government will pay attention and find in part at least some answer to the difficult problems which now face us.

Let us consider what the railway employees think about the bill now before us. Apparently it does not satisfy them to any great extent because it does not grapple with the problem. Some of the men on strike do not particularly want an increase in income, but would like an improvement in working conditions and facilities. Another group does want an increase in salary and is not particularly concerned about working conditions. Perhaps part of the reason for this difference of opinion relates to the various classifications in which groups of railway employees find themselves. No one can convince me that the means and needs of the presidents, vice presidents, executive vice presidents and managers are the same as the means and needs of the common section workers, station agents, ticket collectors or switchmen. They are in different categories. They might not have the same needs. We have not distinguished between these two classes of workers. There is the labouring section, part of which needs higher wages. We are offering these men 6 per cent, which is probably not enough. But if this 6 per cent were applied in the right quarters, it would be enough and the cost to the government would not be any greater. In this event 6 per cent would probably be sufficient and would satisfy the workers who need better working conditions but not necessarily higher wages.

• (4:10 p.m.)

I have in mind the trainman sitting in the caboose at the back of a freight train. Do you realize, Mr. Speaker, that these men still have the same living quarters that they had when the first train was run in Canada? They have not any toilet facilities, except the open air; the back end of the train is used for this purpose. If it is too cold and these men have to use whatever facilities there are inside the caboose, I do not know what they do.

Coal-oil lamps are used on these trains; the companies will not tolerate any kind of generator being used. The lamp is taken out to work by the trainman and he takes it back when he returns to the shop. On some of the super continental trains the cook is running around in a little space perhaps 5 feet wide and 15 feet long for 8 or 10 hours a day. He is preparing 700 or 1,000 meals a day. Where are his sleeping quarters? He sleeps on top of

a dining-room table or in the baggage compartment with a couple of hens or pigs to keep him company, and the pigs are grunting all night.

These are examples of the working conditions of some of the men employed on the railways. Another type of railway worker leaves the station with his packsack, overcoat, flashlight and lantern. If he had to carry all this equipment once or twice a year, it wouldn't be too bad; but he does this two or three times a week over a period of perhaps 30 years. When these men are working around the station they are not able to walk between the cars; they have to crawl underneath the train. The cars are not separated, and as a result this worker has to crawl underneath them carrying all his gear. It would not be too much trouble to separate them and allow the workers to walk between the cars.

This is what I mean when I refer to bad working conditions; and these conditions can be improved. A raise in salary will not improve the working conditions of the man working on the freight train who is forced to use open air toilet facilities at a temperature of perhaps 40 degrees below zero, in broad daylight. If there were a reclassification of jobs, and working conditions were improved, you could give an increase in salary to the men who need it, and better working conditions to those who need them. In my opinion more railway workers would be satisfied if this were done. This is one aspect of the problem that the government and the commission provided for in the bill, if it is ever passed, should stress, namely improved working conditions and equitable, just remuneration.

I am worried about this 6 per cent because, as always, this money comes from the Canadian citizen in the form of taxes. The government may well be worried about inflation at the moment because every time they increase wages to settle a strike, whether it be on the railroad or anywhere else, the cost of living immediately increases. If the government is worried about inflation, why do they not take other measures to solve the situation? If one course can only lead to disaster, why not take another? Good grief, Mr. Speaker, there must be other measures that could be taken. There must be men in the government capable of working out a more satisfactory course. When hon. members opposite go around the city, they change direction. Why don't they do the same thing in order to solve our economic problems, whether they be connected with operating a railroad or a country. It does not surprise me that we have strikes, because this government cannot even operate the parking area on parliament hill. If this is so, how can we expect them to run a railroad?

[Mr. Langlois (Mégantic).]

Instead of giving just 6 per cent to workers who need a higher increase, and hollering and yelling to the country that they cannot give any more because of inflation, the government should have considered this result when they came out with the 11 per cent tax on building materials. The cost of living went up as a result of that tax, and it will probably go up after we have dealt with the bank legislation this fall. In the minister's bill there is no limit on the interest rate chargeable on loans. The government raise the ceiling on interest. These things increase the cost of living, but we have not as yet had a strike in the banks. I know railroad men who work in shacks, but every bank manager I know has a big office in which to work. If the money obtained from increased interest were used to raise the salary of bank employees, I would not say a word; but I know where this money is going.

Raising the ceiling on interest rates has increased the cost of living, but the government does not talk about inflation when dealing with the financial sector of the economy. However, to the worker they say, "Be satisfied. Don't complain too much, because a salary increase will cause inflation." This is the sing-song we have been listening to for years, and it is about time the government changed its attitude in this respect. They should try shooting with the right arm instead of the left. If they did this they might hit the target sometimes.

To improve our economy in the future the government will have to divide the public part of the economy from the private. Until they do this they will be faced with a wall of trouble every day. Our interest on our national debt is about $1 billion a year. Doesn't this contribute to inflation? What does it add up to per capita in Canada? The government should finance the public sector of the economy interest free, or at operational cost. This might very much reduce the tax paid by Canadian citizens. Every time the government imposes a tax, the cost of living goes up.

The job of this government is to see that the needs of every individual are met. Not only must we improve production but we must improve the ability of the individual to

purchase that production. In my opinion the government has failed to realize this aspect of the problem. They must see that the purchasing power of the Canadian people is at all times not more or less than the goods we are producing. If a proper balance is not maintained in this regard you will have either inflation or deflation. If you have inflation, you are off-balance, so get back into balance and take measures to achieve this end.

When I speak of the public sector of the economy I refer to the financing of bridges, railroads, schools, roads and projects undertaken by municipalities and provincial governments. When any level of government wishes to undertake a public project, it should be financed interest free because these governments are providing a service to the country. This is not production but it is a service from which the producing, private sector of the economy benefits.

After a road has been built it begins to depreciate, but we pay interest on the total amount of money originally borrowed to build the road. This is what causes inflation. You build a road; it costs $1 million and you commence repaying the loan. Immediately after the road has been built, it depreciates. You borrow $1 million to build the road, you pay interest at perhaps 5 per cent for 20 years and at the end of that period you have, in effect, paid for two roads because you have repaid the original loan of $1 million and the interest has amounted to $1 million. That is $2 million for the basic value of a $1 million road. There is inflation there and by the time the road is paid for it has outgrown its usefulness. To whom is the interest paid? I would like the Minister of Finance (Mr. Sharp) or the Prime Minister (Mr. Pearson) to get up and tell us to whom this interest is paid. We may then start on the road to success and not on the road to bankruptcy, which is so often the case—or the road to credit restriction.

• (4:20 p.m.)

On May 31 of last year when I told the Minister of Finance, when he reduced the reserves in the chartered banks from 8 per cent to 7 per cent, that he was the originator of the restriction he called me a prophet. I would like the minister to refer back to the words I said on May 31, 1965. Maybe I was a prophet; but he was a fool. This may not be parliamentary language but it is still common sense. All we have here is common sense, and I think we realize that very well.

Legislation Respecting Railway Matters

Now, Mr. Speaker, we have the other matter regarding the private sector of the economy. I believe that the government should assist private companies which are borrowing money with interest, because that service is being paid for.

If I were to go to a bank to borrow money so as to continue the production of my company, the interest would not be included in the cost price. There will be salaries, depreciation of machinery, basic goods prices and interest. That is why the government could counterbalance the difference between national productivity and purchasing power so that the Canadian people at all times can make the best use of purchasing power.

Now, Mr. Speaker, in view of what I have said I wish to present to this house the following subamendment, seconded by the hon. member for Roberval (Mr. Gauthier):

[*Translation*]

That all the words after "That" be struck out and the following substituted:

The government is neglecting to undertake the necessary measures so that at all times the railway employees and all Canadian citizens may have incomes according to the national productivity of this country by using the facilities of the Bank of Canada as may be necessary.

[*English*]

Some hon. Members: Question.

Mr. Langlois (Mégantic): Mr. Speaker, in view of this subamendment I counsel the government to look attentively at the dual economy existing in this country, because national productivity is increasing at a rapid pace and should be given due consideration. It is logical that the capital of the public sector in our economy should be used to finance the production of the private sector, and it is just as logical to invest private capital in the public sector of the economy. They should be financed totally and entirely one from the other. Until the government has given thorough consideration to these points we are doomed to face more strikes, more credit restrictions, more uneasiness and unhappiness in Canada.

Mr. Deputy Speaker: With reference to the subamendment moved by the hon. member for Mégantic (Mr. Langlois) I would like to refer the house to citation 203, subsection 1 of Beauchesne's fourth edition, page 171 which reads as follows:

203 (1) It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

Division

This may be read as also applying to a subamendment. The reference made in the subamendment to national productivity and the use of the Bank of Canada is not at all relevant to the amendment now before the house.

May I also refer the house to citation 202 subsection 3 at page 169 of Beauchesne's fourth edition. It reads as follows:

> Since the purpose of a subamendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of and move a new amendment.

This is so, provided of course that it is relevant to the bill.

I suggest to the hon. member for Mégantic that the subamendment which he moved is not relevant to the bill and brings out matters which are not included in the amendment now before the house. I therefore declare the subamendment out of order.

Some hon. Members: Question.

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

Those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division.

• (4:30 p.m.)

YEAS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Baldwin
Ballard
Barnett
Beaulieu
Bell (Carleton)
Bell (Saint John-Albert)
Bower
Brand
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Chatterton
Churchill
Clancy
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Douglas
Enns
Fairweather
Fane
Fawcett
Flemming
Forbes
Forrestall
Fulton
Gilbert
Grafftey
Grills
Gundlock
Hales
Hamilton
Hees
Herridge
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Keayes
Kennedy
Kindt
Knowles
Korchinsky
Lambert
Lewis
Loney
MacDonald (Prince)
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean (Queens)
Macquarrie
McRae
McCleave
McCutcheon
McIntosh
McKinley
McQuaid
Madill
Mandziuk
Martin (Timmins)
Mather
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Noble
Nowlan
Nugent
Orlikow
Ormiston
Pascoe
Peters
Prittie
Pugh
Rapp
Régimbal
Ricard
Rynard
Saltsman
Schreyer
Scott (Danforth)
Scott (Victoria (Ont.))
Sherman
Simpson
Skoreyko
Smallwood
Smith
Southam
Starr
Stefanson
Thomas (Middlesex West)
Valade
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Winch
Winkler
Woolliams—110.

NAYS

Messrs:

Addison
Allard
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Béchard
Beer
Benson
Berger
Blouin
Boulanger
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cantin
Caouette
Cardin
Cashin
Choquette
Chrétien
Clermont
Comtois
Côté (Dorchester)
Côté (Longueuil)
Cowan
Crossman
Davis
Deachman
Dionne
Drury
Dubé
Duquet
Émard
Éthier
Faulkner
Favreau
Forest
Foy
Gauthier
Gendron
Godin
Gordon
Gray

Greene
Grégoire
Groos
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Hymmen
Isabelle
Johnston
Klein
Lachance
Laflamme
Laing
LaMarsh (Miss)
Lamontagne
Langlois (Chicoutimi)
Langlois (Mégantic)
Laniel
Laprise
Latulippe
Laverdière
Leblanc (Laurier)
LeBlanc (Rimouski)
Leboe
Lefebvre
Legault
Lessard
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
Mackasey
McIlraith
McNulty
McWilliam
Marchand
Martin (Essex East)
Matheson
Matte
Mongrain
Morison
Munro
Neveu
Nicholson
Nixon
O'Keefe
Olson
Orange
Otto
Patterson
Pearson
Pelletier
Pennell
Pepin
Pickersgill
Pilon
Prud'homme
Racine
Reid
Richard
Rideout (Mrs.)
Rinfret
Robichaud
Rochon
Rock
Roxburgh
Ryan
Sauvé
Sharp
Simard
Stafford
Stanbury
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Thompson
Tolmie
Tremblay
Trudeau
Tucker
Turner
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan
Winters
Yanakis—138.

• (5:10 p.m.)

Mr. Speaker: I declare the amendment lost.

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question on the main motion?

Some hon. Members: Question.

Mr. Speaker: The Minister of Citizenship and Immigration.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): You will have a lot to explain, my friend. You will have to explain the unexplicable.

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, one is not always paid back in the same coin, since I have always listened in silence when the hon. members from the other side of the house spoke. I hope to be treated with the same politeness during the few minutes I shall take of the time of the house.

Mr. Speaker, it is perhaps normal, and the contrary might be difficult to explain in view of my past involvement with the unions, that I should at least make some remarks before such important legislation is passed by parliament.

The bill now under consideration, Mr. Speaker, involves problems of great importance for the labour world and even for society as a whole.

This is not the first time that railway disputes finally come before the parliament of Canada. This has been discussed at length; there have been at least four such disputes and it is the fourth with which we are dealing here in parliament and which will have to be settled more or less directly by the House of Commons. Yet this procedure is not normal, since we have to pass legislation to settle the dispute. The railroad workers, the employers in the railway industry are covered by the Industrial Relations Act just like all the other employers under the jurisdiction of the federal law. This law established the procedure for the settlement of disputes.

This procedure applies to the railways as to all the other industries covered by the law. It provides for a negotiation period, and also makes other provisions. It also provides for a conciliation board or a mediator if the dispute is not settled directly. When this legal procedure is exhausted, the law stipulates that a legal strike may be declared. What the railmen are doing now is exactly what the law allows them to do. Not only does the law allow them to do this, but they have no other recourse in a dispute.

How is it that in their case, Parliament is always forced to intervene? The obvious reply is that the Canadian economy is seriously hampered. It is quite true.

Other strikers also use their right to strike and thus affect the public weal. There was a postal strike that affected the public interest and Parliament was concerned with the postal strike. There was the longshoremen's strike and there was concern too, over this strike, its consequences, and intervention by Parliament was asked for. And if, tomorrow, our airlines were paralysed, the people and, possibly, the members, would probably call for the intervention of Parliament. That is to say that, on one hand, the Canadian people through their Government, recognize that

railroad workers, longshoremen, Seaway employees have the same rights as others and that, having the same rights, these workers may organize and may also strike.

But in all these areas, and in a growing number of areas, strikes affect the commonweal.

Now if the fact that public interest is involved becomes grounds for Parliament intervention, I say that Parliament will have to intervene constantly more and more.

In the case of the railroads, it seems clear to me and every one is agreed, even those among us who are closest to the labour unions have agreed that a railroad strike cannot last indefinitely. It had to be settled; that is to say the workers could not be allowed to extend their full economic strength to achieve an agreement. As soon as this is admitted, and I believe that our friend from York South (Mr. Lewis) admitted it yesterday, and rightly so, and I shan't take him to task for it, as soon as it is admitted that workers in an industry cannot go to the utter limit of their rights and their strength, it means that the right to strike is being questioned in this particular area. This means that such employees do not have the same rights as others. Normally, as it was mentioned in this house, I think, a strike is not simply the fact of going out on strike, to act jointly it is going to the very end of our strength in order that at some time, the balance of economic pressures brings about an agreement between the parties.

Everyone appears to be denying railwaymen the right to strike. This is an extremely serious problem. And when reference was made on a few occasions in this house to my speech in Nicolet-Yamaska, and rightly too, the fact is that I was not surprised that the government did not take action any sooner. I would have been surprised that a responsible government, seeing that the fundamental rights of hundreds, thousands and eventually hundreds of thousands of workers were at stake. Let the government take the time, try by all possible means to get the parties to come to an understanding, so that none of their rights be restricted, limited, or denied altogether. It seems to me that this is normal procedure. To be sure, there were those who cried out, as soon as they saw their interests being threatened, their own interests,—they often confuse this with the public interest—they cried out: "Good grief, stop the strike, stop the very threat of a strike. Why does parliament not convene before the strike occurs?"

[Mr. Marchand.]

One thing must be made clear, Mr. Speaker, and this is that the power of negotiation of a trade union does not lie only in strike action, but also in the threat of strike action. You know that more contracts are negotiated through strike threats than through strike action itself.

Therefore, if we were all to decide upon intervention in the railway strike, we could at least, Mr. Speaker, have given the railwaymen a chance to make use of this strike action threat as a means of negotiation. By what right should we have denied them even this? Criticism of government action, Mr. Speaker, on the basis that it did not take action soon enough, in view of the problems that a strike may cause, has no serious foundation; any strike brings forth problems, Mr. Speaker, I know of no strike that does not cause trouble. But if we must draw the line, where should it be drawn if we want to respect the fundamental right of workers, which is the right of association?

• (5:20 p.m.)

Between us, Mr. Speaker, people do not associate for association's sake; they do so to strive for a common aim and in labour unions the pursuit of such an aim implies a certain bargaining power. When a labour union is deprived of the right to strike and of every means of action, the fact that union members are grouped together does not confer them any power. Their only power is that all union members can at a given time deprive their employer of their services. This is their only power, otherwise let them group themselves in leagues of mutual contemplation, but not in labour unions. The right to strike is closely related to the right of association. That is why any intervention in this field should be very cautious and we should refrain from intervening hastily because a few people feel threatened. There is no doubt that the railway strike is hurting the workers. There is one thing, however, that the Canadian people should learn. The public will learn that if all citizens are to be on an equal footing and to enjoy the same rights, it will have to do like any other employer and suffer the consequences. If the Canadian people are unable to do so, a special piece of legislation will have to be passed in order to protect the workers to ensure that in no circumstance they will be placed in a more unfavourable situation than the population as a whole.

Mr. Speaker, there is no doubt that if the buses or rather, eventually, the subway were to stop running in Montreal, all the people would be annoyed. Hospital services were interrupted in Quebec and everybody was annoyed. I could not say to what degree the packers' strike could affect the Canadian market, but I know that it can annoy a lot of people. It becomes a question of determining at what point rights are curtailed because their exercise becomes a public nuisance.

That, to some degree, was the meaning of my remarks. I did not state that we should not act fast enough. Indeed, suppressing the strike. On the contrary. I am one of those who claim that in as vast a country as Canada, it is probably impossible for a railway strike to paralyse the whole economy. Yet, if we decide to take action along those lines, we must know how we can protect the rights of those who will be affected by the restrictions we want to impose. That is the price of democracy, the price of freedom.

Some people come and tell me that we did not act fast enough. Indeed, supressing the rights of workers by a stroke of the pen, that is not serious. It can be done overnight because all those who are economically "in" do not suffer from it. It is easily done, the thing is settled, even if at the expense of others and following improper negotiations, but that does not matter.

I think the people of Canada can and do understand under the circumstances the attitude of the government which sought to allow for a maximum of freedom and for a maximum use by the employees of their right of association. That is what we tried to do.

I have another remark, Mr. Speaker. I have realized—indeed, hon. members did that much earlier than I did—that it is impossible to negotiate a collective agreement in a parliament. I realized that. We have here only a few items and you can see what takes place. If we had the whole collective bargaining with the provisions and the wages, the hours of recall, time and a half, shifts structure, there would be no way out. I do not think anyone considers that seriously. At a given time there may be an unusual intervention as the present one, but that cannot become normal practice.

Mr. Speaker, that is why, without being requested by anyone, neither by the government nor others, I believe we will have, at a given time and as soon as possible, to consider together that labour relations legislation, especially in the vital sectors of the nation to find out how those conflicts can be settled regardless of government intervention while respecting as much as possible the rights of the workers.

I believe it is essential that we come to that; otherwise we will always be in a situation such as the one which confronts us now.

We were told yesterday, Mr. Speaker, that the negotiations were not carried out as far as the conflict between the railway companies and their employees. That is quite possible; I was not present; and I do not have the experience in the operation of railways that certain of my colleagues have. I understand that that is not done; because when you are always under the threat of parliamentary intervention, it is certain that the parties will try to evade their responsibilities and leave the decisions to a third party. Then that is an irregular method. Now, which is the right one? There are many methods we can consider but it is obvious that it is not when there is a conflict and in a hurry that we should decide what will be the legislation in that field and how we consider together the settlement of conflicts in the fields I just mentioned.

We were given yesterday a few examples of countries where that seems to be well organized. Reference was made to Sweden. I believe the leader of the Ralliement Créditistes (Mr. Caouette) said that in Sweden the government intervenes in every strike. Obviously, when he went to Sweden he did not waste his time studying labour legislation, because undoubtedly nowhere are government interventions rarer than in Sweden. There is practically no labour legislation in Sweden. The only regulation there is is the one established by a very powerful employers' association and by a trade-union association, also very strong.

Therefore, it is a very special situation. The labour union, which is called the LO in Sweden, has an extremely powerful influence on its affiliated unions. Most of the time negotiations are conducted on a national scale; LO in Sweden, that is the labour union, has to deal with an extremely powerful management organization which not only speaks for the employers but which can make decisions binding upon them. LO even has a strike fund to resist and to help an employer when the latter is engaged in a dispute and has the

support of the organization. There is nothing like that here in Canada. First of all, over there the powers are centralized, here they are decentralized; over there they have a management association representing employers; here there is no such thing, or rather there are too many of them.

Therefore, in Canada, if you want to talk to management, you have to talk to ten, 15 or 20 management associations. On the other hand, you have a labour movement which is unified and also highly disciplined, not only in its structure but also so far as the authority given to the central organization is concerned. And if I had to find fault with the Swedish labour union, it would be precisely that it wields too much control over its affiliated locals. In any case, the example of Sweden, which was given by one in a very appropriate manner and by the other, of course, in a very inaccurate manner, cannot help us very much unless conditions in Canada change completely.

In any case, with regard to that intervention in the exercise of the right to strike or the right of associations, I understand that it is a delicate matter, and I hope it is the last time that parliament is called upon to do what it is now doing. I hope that we will find a way to allow the labour unions, even within the public service, to exercise their rights without Parliament having to intervene, because there are so many considerations which have to be taken into account then. I am not saying that it is dishonest; it is normal because what is more normal than for a political party to think of politics? What is more normal than for the opposition parties to think of taking over and for the government to want to stay in office? There is nothing unusual in that. Therefore, if the interests of the workers and the employers are caught in that network of conflicting interests, it means that we will be forever living in anarchy. Allow me to give you only one example.

• (5:30 p.m.)

The hon. member for York South (Mr. Lewis) spoke yesterday of 25 per cent. I have not made up my mind whether it is fair or not at this time and I use his figure; another party, even the government, could simply say, to put the hon. member for York South on the spot: we will offer 27 per cent. He will look like a reactionary. But negotiation on that basis makes no sense at all. I think a more rational basis than that must be found and that we must avoid mixing what must not be mixed.

What are the formulae? There may be some. In public services, especially where the government invests money, should the government, for instance, at a given time, attend the negotiations and play a more active part in them? Are there any other approaches to this problem? I hope we will have an opportunity to discuss them.

We have before us a bill the effect of which is to ask, indeed to order, the railway workers on strike to go back to work. Surely, this is a very serious decision for any parliament to make. This is the fourth time that the same thing is being done directly or indirectly.

We were told that this bill provided for an average increase of 6 per cent, that is 4 and 4, or 8 per cent at the end of the year, but this averages out to 6 per cent over the year. This is true and perhaps I am one of those who insisted that provision be made for that increase in the bill. And I will tell you why; we could have proceeded in two different ways; in view of the fact that, as the hon. member for York South indicated, the strike cannot be allowed to last indefinitely, we will have to find a solution and this is one. The solution he proposed himself is not a solution, since it can be assumed that even with his administrator failing agreement, the matter will be referred back to parliament. Something must be decided; either we legislate directly, that is that we negotiate in the place of the parties, or we refer the dispute to arbitration. Now, negotiation is impossible in parliament. There remains that second alternative.

Then in what spirit was that done? It was done not in a negative spirit, to try and limit what the railway workers could obtain. On the contrary, it was to give at least a first guarantee, and at the same time an indication that the government wanted the majority report to be implemented. For it could have been done as it was done in the past, by referring the whole dispute to arbitration. I believe that was done under the Conservative government. I have no particular grievances in this connection. I do not know under what circumstances that was done. It can be done that way, but we thought that in view of the fact that we restricted the workers' right, they should at least have a guaranteed increase, as recommended by Judge Munroe for the year 1966.

Only, let me tell you one thing. Mr. Speaker, it could and would be serious if I were convinced that the inclusion of the 6 per cent figure in the bill means that employees will be limited to 6 per cent and will not get at least what Judge Munroe recommended, that is 18 per cent. I would be against the bill, yes indeed.

Rightly or wrongly—Pardon me but I cannot hear—

Mr. Lewis: Where is the guarantee?

Mr. Marchand: One minute, Mr. Speaker, I will answer the hon. member for York South. Where is the guarantee? There are various kinds of guarantees. You can have a legal guarantee in which case a provision is inserted in legislation specifying that such and such a thing is to happen. That is a legal guarantee. But you can also have a moral guarantee which is often stronger than a legal one.

Some hon. Members: Hear, hear.

Mr. Marchand: Anyhow. Mr. Speaker, the hon. member for York South can protest if he wants to but he knows just as well as I, or any person who has been involved in negotiations, that when a precedent has been set or when an arbitration report has been submitted concerning a public service and that the government indicates that it accepts the report and has tried to do so in such a way as to leave the people the greatest degree of freedom possible, that is a guarantee.

Let me say to the hon. member for York South that if I happen to be negotiating with Price Brothers in Kenogami, after the International Paper has agreed to a 15-cent increase, it is strange but I feel I am in a better position than if I had a guarantee written into the law.

Mr. Speaker, it is certain that if an 18 per cent wage increase is granted the Canadian National Railways employees, that the employees of any railway which is not affected by the strike will get the same increase. This has always been the case in the trade union world, and I hope that those who are aware of this will not question a reality which is a fact of life in the trade unions.

Mr. Grégoire: Does the 18 per cent guarantee in the case of the seaway set a precedent? Does it constitute a moral guarantee?

Mr. Marchand: Then, Mr. Speaker, there is no guarantee. There is a contractual guarantee given the seaway workers, since they negotiated for a 30 per cent increase. Another was given to the dock workers. This constitutes a guarantee for these people, no doubt about that. However, there is no doubt, Mr. Speaker, that this sets a precedent for those who are in the same position, a precedent which may be invoked and which carries considerable weight. All union members know this is so, as long as things are compared on the same basis. Such is the world of labour and that is the reason why I was in favour. The situation is surely more serious and I understand this point; it may be the point I understand best. When we are faced with a moral pledge such as that one, at a union meeting, and a union member asks the union delegate the question: "Is it sure that we are getting our 18 per cent increase under that bill?" The delegate may well answer, in complete honesty: "That is not spelled out in the bill." And he would be right, because it is not clearly stated in black and white, surely.

So then, it is a question of good faith. One needs only to see how those who are responsible for the legislation interpret those terms. That is all. I am simply telling you without insinuating that those who interpret it in another way are dishonest—that, by interpreting it in this way we are being honest. And I know what that means. I am convinced besides that, that time will show the member for York South that this is what will happen.

So this is the problem, Mr. Speaker. I believe that we have in this bill all that is needed for the settlement of the railway worker conflict. The interpretation of the terms is surely simpler for the union members; this is to be considered, and if union members are apt to be misled, union leaders will not be in a position to state, without fear of being wrong, that this is so.

Now then, if we are really of good faith and if we believe in those who make the pledge, then union delegates may well assure railway workers that the 18 per cent increase mentioned in the Munroe report is provided for in the bill, and that they will get it.

It is absolutely wrong, Mr. Speaker—and I am trying to speak as moderately as possible—to interpret the bill or to let it be interpreted as it now is in some circles, in other words as limiting the raise of the railwaymen to 6 per cent.

I have received dozens and even hundreds of telephone calls from railwaymen who said: How come we will only get 6 per cent for 2

years? Where did they get this? Who told them so? Perhaps newspapers, television, union representatives who did not want to take that responsibility, but anyhow, quite a few railwaymen in Canada think this bill contains a maximum increase of 6 per cent. And that is false.

If all sorts of speculations are going to be made, all I can say is what I have understood of the bill. Since I have participated in this debate and I made this statement in public, you can check all those things, and as we will probably meet again, let us say my statements can be checked.

Anyhow, Mr. Speaker, I am still sorry parliament had to reconvene in order to settle a specific dispute.

• (5:40 p.m.)

As soon as this dispute is settled, I feel it is urgent that we attempt to look into the whole problem of industrial and labour relations in the public sectors where the public interest is directly involved. It will be impossible to evade the issue by trying to find excuses.

As I said earlier, even with the formula of the member for York South who suggested the appointment of an administrator, while I can well imagine that such an administrator may not succeed in settling the dispute, and since he said the strike cannot last very long in those circles, a solution will have to be found some day. Either it will last, or it will not, and if it does, by what means can it be definitely settled? I am not suggesting that this formula is ideal, but let us say that nobody has found an alternative, and I think that sooner or later, in view of the concentration of industry, in view of the fact that more and more groups of individuals, of workers, through sheer numbers, have a power in the strictest sense of the word, exert an exorbitant power in relation to other groups, the question will be to know how all this is going to be regulated. It is not a fact that all workers are miserable as far as their economic power is concerned.

The railway employees have surely a greater economic power than the textile workers. Mr. Speaker, 5,000 textile workers have been on strike for five weeks in Quebec. People who earn very low wages, much lower than the railroad workers. Parliament did not meet, no one tried to alert the members or the government to settle the dispute. They could die a slow death.

[Mr. Marchand.]

Other groups, because they are important, obviously, immediately alert the population. We will have to try to see how all this can be balanced, how the same approximate degree of rights can be given everyone in regard to the public good.

This is an opportunity, this could be an instance where an attempt should be made to discuss in a serene atmosphere, not to find out if what was done ten years ago is better than what is being done today or what will be done tomorrow.

One thing I know for sure, Mr. Speaker, whatever the party sitting on the right side of the house, when the same problems come up, the same solutions will have to be considered. In the United Kingdom, Mr. Wilson has to consider the very solutions other parties had to consider when they had to face the same problems and I do not blame him at all. I understand.

When the whole British overseas trade was paralysed, if the strike had lasted another month, which could have happened under the right to strike, the consequences for the British people can be surmised. It is well known that all kinds of means were resorted to in order to end the strike. There was no intervention by legislation as we are doing, I quite agree, but if all such means ever come up for discussion, it will be realized that there are means other than legislation which are strangely more effective than legislation.

So, from all angles, the problem is a serious one. It is unfortunate that it cannot be discussed in a more serene atmosphere. There will probably be such an opportunity, but this is not it. However, this is a real problem and no government can side-step it.

Now we may be asked why legislation was not passed earlier? Simply because in this field as in others, we must be guided by experience and we must have gone through certain things in order to avoid future mistakes.

It is normal for this country to go through such experiences. Others may yet be gone through. It is normal that the people become aware that some areas are vital for the population and that the whole population is concerned that everyone be versed in all areas, because one day the people themselves will otherwise suffer.

If we share the views of those who stated in this house that the relations between the railway companies and the unions were not normal, meaning that the negotiations were

not normal, then the established practices are obviously somehow paralysing negotiations in this field. The best course to take must then be found. I think, Mr. Speaker, that this fourth great railway dispute may teach public opinion in Canada not to be panic-stricken and, as soon as one group wrongs another one, say that it must definitely be deprived of its rights, but those rights should be restricted. The people must know to what extent they may affect people's rights for, as I said earlier, if we deprive a group of its rights, I do not see why, under the same principle, another group might not lose its rights the next day. And so, from one group to the next, we would eventually abolish the right of association itself. For the workers, Mr. Speaker, this right of association is not a luxury, but probably their most fundamental right in a democracy.

The right of association, Mr. Speaker, was the instrument whereby the workers managed to improve their lot to the extent to which they have, and whereby they managed to prevent, oppose or resist their being exploited. This is a basic right for workers. We were cautious. It took a long time. The government assembled and parliament reconvened. If the government had met 15 days ago to tell the railwaymen not to strike and if it had produced a settlement, it would have been called a strong and powerful government, but it would have restricted the rights of the workers. No, I am not interested in that kind of power. As for those who want to wield it and would have liked the Prime Minister (Mr. Pearson) to take this attitude—which, fortunately, I do not think lies in his temperament—I think they are wrong to ask this, because any member of the government or of the opposition who appreciates people's rights is a worthwhile person in public life. Such a man is important to us.

I shall not review all the labour disputes involving the railways, especially as regards the official opposition. First of all, it would be a serious tactical error, since it has already been done in a masterly manner and it would also be a waste of time for the house. But surely, this bill does not go further than any action taken by the present government, by any Canadian government.

On the contrary, it probably does not go as far, because special precautions are taken to settle the dispute. If ever an order in council were passed to establish compulsory arbitration, parliament itself would have its say and could vote to give an additional assurance that arbitration would not take place in the dictatorial manner a few people favour.

There is no doubt that this bill restricts the exercise of the right of association, since it asks the workers to go back to work. This bill restricts the right of association, since arbitration will eventually be necessary, if the house agrees, but in this field it is probably the most sensible bill ever brought before the house and the most respectful of the rights of the workers. I am convinced that after the committee stage, all the workers represented by the Canadian railway unions will accept the decision of parliament with the feeling that they have been treated fairly and that their fundamental rights have been respected.

May I call it six o'clock, Mr. Speaker?

• (5:50 p.m.)

[*English*]

Mr. Speaker: Perhaps I should bring to the attention of hon. members the fact that the minister's time would end at 6.02. Does the minister wish to call it six o'clock?

[*Translation*]

Mr. Marchand: Mr. Speaker, I do not usually speak as long as this, and my text does not extend so far but there are nevertheless some points to be made. I think that in the area of labour relations, as in areas where, shall we say, the public good is at stake, I believe that there should be some way in this house to achieve unanimity on certain fundamental questions. I am thinking, for instance, of the questions arising out of the relationship between French and English speaking Canadians, which are basic questions. I believe that Canadian political parties, unless they learn to protect at least some basic factors, are not being helpful to the country.

In this area of disputes affecting the whole nation, there is no disparagement for a political party although opposed to the government on many a point to say: Public interest is at stake, we will agree so that the people may feel protected by their government and so that, in this case, the workers may feel that their rights are being preserved.

This does not mean that we should agree on all points. It means that, in a national emergency, a government may, by rights, be in a position to expect some support from all who have faith in the country.

[*English*]

Mr. Speaker: Order, please. It being six o'clock I now leave the chair pursuant to special order made earlier this day. The sitting will resume at seven o'clock.

At six o'clock the sitting of the house was suspended.

SITTING RESUMED

The house resumed at 7 p.m.

Mr. J. P. Nowlan (Digby-Annapolis-Kings): I will be brief, Mr. Speaker. In speaking I am fully aware of the responsibility of the occasion and also of the breach my few remarks will make with customary tradition and parliamentary practice. But after cogitating for three days and listening to the debate in this chamber I have not been able to resolve my conflict of conscience with the consensus of my caucus.

Frankly, as a new member one of the pressures I have felt most has been the pressure to conform whereby independent judgment and objective judgment are subject to the pressure of the necessity of loyalty to party and party principles. I think the caucus is at times a collar around the necks of many members. It chokes the expression of independent thought and judgment. However, caucus and the solidarity of caucus are most necessary when dealing with the ordinary issues of party politics, the issues which make elections and party platforms.

We are not in that situation today, Mr. Speaker. We are in a situation which, as everyone in this house has admitted, is a national emergency. Having wrestled with my conscience for the last few days, appreciating and respecting the views of my colleagues who sit on this side of the house and realizing that my words will not find favour with them, I still feel that a national emergency transcends the ordinary customs and usages of this parliament, an institution which was here long before I came and which will be here long after I go. These words of mine will contribute but a ripple to the parliamentary process.

The merits of the bill have, I believe, been fully canvassed by speakers from all parties. There can be no doubt that the measure is inadequate. We in this party have tried to remedy those inadequacies by means of an amendment. Having voted for an amendment designed to bring home to the government the weakness of this legislation, I might be accused of inconsistency if, the amendment having been defeated, I were to vote in favour of the bill.

But I am not much concerned about the parliamentary ploy or about formal parliamentary logic in this chamber. As I say, I believe the bill is inadequate. I believe the workers have a right to be concerned. I can understand the union leaders saying it is not acceptable. On the other hand, the only vehicle we have left following the defeat of the amendment is the bill which is now before the house and I believe the people of Canada want that vehicle to move.

This is a government bill. There may be problems in implementing it. If there are, they will be problems which the government of the day will have to face. I do not think that for the purposes of this bill we should be greatly concerned about the implementation of certain portions of it, the outcome of the conciliation procedures and so on.

In the circumstances I suppose the easy thing for me to do would be to abstain from voting. Mr. Speaker, the charge which this government has to face time after time is that it has abdicated its responsibility. I do not believe that by abstaining when the vote is called I would be discharging my personal responsibility. That is why I rise tonight to say in a few words why I am supporting this bill.

It has been said that caucus is sacrosanct and that you cannot break its rules unless you cross the floor of the house. I suggest this is not the case. There is not a single member in that caucus who voted for the hon. member for Digby-Annapolis-Kings and very few members, I imagine, would want to vote for him after tonight. But the people of my riding have the right to know where I stand if, perhaps in a unique situation, I vote with the government on this occasion. I do not in this crisis as an opposition member accept the philosophy that the secrecy of caucus should shield my stand.

It has been suggested that the speaker tonight is playing Judas Iscariot to his party or to his leader. I came to this parliament as a party follower. But I also came here as a parliamentarian in my small way and I feel that the importance of this issue is such as to set aside these implications and transcend loyalty to party and to leader.

Some hon. Members: Hear, hear.

Mr. Nowlan: What swayed me the most is something which happened today, the fact

that we all received letters and telephone calls from interested parties, including union members, who, before any bill has been passed, are suggesting there is a real question whether or not it will be obeyed. Mr. Speaker, either the rail bill goes through or we have anarchy. In my view—and this is one of the fundamental reasons I am speaking tonight—a divided parliament at this time is an invitation to divide the country and is perhaps sowing the seeds of internal dissension among those who will be affected by this bill when it becomes law.

• (7:10 p.m.)

There have been those who have said it will not work and will not be followed. So far as I am concerned, Mr. Speaker, that is the government's responsibility. This is the only vehicle they have brought before us for ending the strike. We have condemned it in many ways. In fact we moved an amendment to it. If the bill fails then the government fails in discharging its responsibility, and I suggest, as did the hon. member for Ontario (Mr. Starr), in that event, and it would be most unfortunate to have such a chaotic situation in the country, that the government would have to resign for its failure to implement government policy.

There are others who are cynical and ask, "Why speak out? This is a bill that is going to pass anyway." But if speeches ever mean anything in this house this is one occasion when they should. If there ever was a time in a parliamentarian's life and, speaking personally, in my short parliamentary life, to speak from conviction and principle, it is now.

There are those who feel quite legitimately and very strongly that this bill usurps and negatively affects the workers' rights. There are also those who feel that the companies are too big. These are problems, but parliament in itself is not the collective bargaining forum. Mediation is to be established by virtue of the legislation before us. This is the course the government is following on this occasion, and with the conviction I have in my conscience I believe this is the time to speak out, to translate one's strength and courage behind the curtain to one's conviction in the chamber.

No one wanted the strike but we have the fact of a strike, and after all the wheat and chaff were sifted we were called here to resolve it. There are those who feel that the bill will not work and some have said, perhaps protesting too much, that union members may not be law-abiding. I think this bill leaves the workers as the underdogs. They have been the underdogs for many years, but I would hope the union leaders would be prepared to carry on for one more year or at least six months while conciliation and arbitration processes take their course as they have in the past.

I think that in many respects this parliament could be called a parliament of phantoms. In it there are potential leaders who shadow-box continuously, hesitant to take strong stands and lead rather than be led. I think the Munsinger, Spencer and other issues, which confused and confounded the public and brought disrespect on parliament, are but small seeds which grew out of the fact that all too often we are phantoms afraid to speak out.

In this strike situation this bill is the only vehicle we have to work with. I personally have resolved my conscience to the fact that there is a strike and that this is the bill with which the government hopes to settle the strike. We have the strike and we must resolve it, but my view runs counter to those who continually say parliament is supreme and who in the next breath worry whether this bill, when passed by parliament, will work and worry about what the men will do. In the light of the many telephone calls we are receiving with implied threats, and the letters, being placed before us before parliament acts, I suggest that those who, on the one hand, talk about parliamentary supremacy and, on the other, wonder whether parliament's decision will work are already admitting defeat. Surely parliament is still to govern even though at times its law, in the national interest, is unpalatable.

The principle upon which I stand tonight is that I still believe parliament is supreme, and when the chips are down, the dust settles and the debate ends, I hope the divisions will heal. I hope the responsible union men in this country will feel likewise, swallow yet another bitter pill and put up with another mediation process with the conciliation report as a guide which may bring much more to them than this bill provides.

It was for those few reasons, Mr. Speaker, that I felt I had to indicate why I am going to vote for this bill.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, before the dinner hour I listened with amazement to the eloquent speech made by the Minister of Citizenship and Immigration (Mr. Marchand). I was amazed at how

quickly, in a period of less than a year, the tiger of the labour movement has become the tame pussycat of the Liberal party.

Some hon. Members: Shame.

Mr. Orlikow: The former president of the C.N.T.U. knows very well that what counts in a union contract is not the words spoken by the union leaders or the promises made by management representatives. What counts in a union agreement is the words which are spelled out in writing in the contract, just as what counts in a law passed by parliament is not the speeches made by ministers explaining the bill, or by members of the opposition or government supporters, but what is written into the law.

For the Minister of Citizenship and Immigration to stand in this parliament and tell hon. members and the railway workers of Canada that there is a moral commitment that the workers will get at least an 18 per cent wage increase as a result of the bill is nonsense. And the minister, before he came into parliament, would have known it was nonsense.

It would be easy to attend here this week and not say anything. It would be easy to let this bill pass second reading. It would be easy not to propose any amendments in the committee stage and let the bill pass, as no doubt it will today or tomorrow. But, Mr. Speaker, we have a responsibility to ask ourselves what will happen then, and I want to say that I believe this country will face the greatest crisis it has ever faced in its history in peacetime.

Hon. members can read the newspapers as well as I can, can listen to the radio and watch television as well as I can, and I believe, Mr. Speaker, that the question asked by the Leader of the Opposition (Mr. Diefenbaker) the other night, will the railway workers of Canada obey this law and go back to work, has in fact been answered and answered very clearly. It is now obvious that the passage of this bill today, tomorrow or Friday will not mean an end to the work stoppage. It is obvious that the strike will continue.

I think all hon. members have received copies of a letter written today to the Prime Minister (Mr. Pearson) by the four top spokesmen of the railway unions involved in this dispute. Because they are honourable, because they are respectable, because they have always co-operated with parliament, with governments and with the people of Canada, and because they have seen their members' wages drop behind the wages of other workers, as I shall demonstrate in a few minutes, I think we ought to take their letter to the Prime Minister very seriously.- What do they say in the letter which was sent to the Prime Minister today? I wish to put it on the record:

• (7:20 p.m.)

A meeting of some 80 representatives of unions involved in the railway dispute this morning unanimously instructed us to inform you in the strongest possible terms that the legislation now before Parliament is totally unacceptable.

The position taken by this meeting was based on reports which we have received from all sections of the country. We feel our responsibilities, both to the workers we represent and to the country, very seriously. We ask that you and your colleagues give most serious consideration to making amendments which would make this legislation acceptable and avoid putting the railway workers of Canada in a position in which they are likely to ignore parliamentary action.

Yours Sincerely

It is signed by R. C. Smith, W. J. Smith, W. P. Kelly and T. W. Read.

The leaders of the railway unions know of what they speak because I suggest to you, Mr. Speaker, that just as the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), who spoke just before I rose, has received calls and communications from his constituents who are railway workers, so also has every member of parliament who has railway workers in his constituency. I have before me a copy of a letter sent by the secretary of the Winnipeg strike committee of the Brotherhood of Railway and Steamship Clerks to their regional representative. I wish to put it on the record because it indicates very clearly what will happen if this legislation is passed. It is addressed to Mr. H. E. Duncan of the Brotherhood of Railway and Steamship Clerks, Western Canada Strike Committee:

Dear Sir and Brother,

Please be advised that the Brotherhood of Railway and Steamship Clerks etc., Winnipeg Strike Committee, instruct you to convey the following message to our vice president, Bro. E. F. Downard.

"The local chairman representing the following lodges, 11, 49, 613, 629, 671, 1117 and 1487, which compose the Brotherhood of Railway and Steamship Clerks etc., Winnipeg Strike Committee, are opposed to any directive from our grand lodge officers or the negotiating committee of the seven international associated non-operating railway unions which would return us to work under the pending legislation proposed by the federal government and which would not establish parity with the recent settlements made to the longshoremen and seaway workers".

Mr. Speaker, the intent of that letter is crystal clear. I suggest to the Minister of Citizenship and Immigration that the workers of Winnipeg are certainly not more militant than the workers in Montreal or Quebec. The railway workers of Winnipeg are disposed to ignore this legislation when it is passed and to stay out on strike. What will be the result? I do not have to tell members of parliament that if this strike is not resolved, and resolved quickly, millions of bushels of wheat which are stored on the prairies and must move to Vancouver and to the lakehead if we are to meet our export commitments will not move. I do not have to tell members of parliament that thousands of tons of nickel and copper which are being stored at Sudbury and Thompson and at other mines across Canada will not move and that lay-offs will begin in the next few days. I do not have to tell members of parliament that tons of paper and pulp products will be in a similar position. Announcements already have come from various parts of Canada to the effect that thousands of workers will be laid off in the next few days. The consequences of an illegal strike which may last weeks cannot be calculated.

Why are the railroad workers, who have always obeyed the law until today, so aggravated? Why are they so determined, determined to the point where they are making it clear they will ignore the law? It is not so many years ago that Mr. Frank Hall, the former leader of the railroad workers said—I am speaking from memory and may not be quoting him word for word although I think the general content is correct—"the law may be an ass but we will observe the law." What has changed? It is not difficult to know what has changed. The Minister of Citizenship and Immigration who has such a wonderful record—I want to change that—who had such a wonderful record as a militant, courageous, intelligent labour leader asks the workers of Canada to accept an agreement which gives them 6 per cent this year. What does that mean? It means 13.23 cents an hour. The newspaper columnists have had a field day. We have been told by that great columnist Lubor Zink that if the railway workers get what they want they will get an increase of $3,000 a year. The 13.23 cents an hour works out to $274.64 for this year. That is what the Minister of Citizenship and Immigration is asking the railway workers of Canada to accept. He is asking them to accept that when workers in unions which he represented have been able to secure increases of 30 to 40 per cent per annum.

I am not being critical of the Minister of Citizenship and Immigration. I give him credit. But does he forget that his workers, the C.N.T.U. workers of Hydro-Quebec closed down the hydro for several months until they received an increase of I think 30 per cent in monetary benefits and another 10 per cent in fringe benefits? Does he forget that the steel workers in Hamilton yesterday ratified an agreement which gives them an increase over three years of 78 cents an hour, when their salaries already were substantially more than the wages paid to the railway workers? The Minister of Citizenship and Immigration and the hon. member for Hamilton West (Mr. Macaluso), who I think was the chairman of the labour caucus of the Liberal party, and the hon. member for Hamilton East (Mr. Munro), in the face of the kind of increase which was gained yesterday by the steel workers have the gall to ask the railroad workers to go back for 13.23 cents an hour. Is it any wonder the railway workers are dissatisfied? Is it any wonder they are angry? Is it any wonder that the railroad workers in all likelihood will defy the law and continue with an illegal strike? I think the wonder is that they have not done so before now.

What do the railway workers about whom we are talking get? A myth has been created in this country that the railroad workers get fantastic amounts of money. The average wage among the 120,000 workers who are involved in the strike is $2.22 an hour. If any member of parliament wishes to use a pencil and calculate what the annual wage is, since the railroad workers work 40 hours a week he will see that the average wage of the workers concerned is $4,516 a year. Yet their demands are the demands which are unreasonable, the demands which if granted will breach the dike which we built against inflation. So this special legislation has to be passed.

• (7:30 p.m.)

I spoke of the average wage of the workers. I do not know whether the Minister of Citizenship and Immigration knows this, but some of the maintenance of way employees on the railways will receive in 1966, if we are going to pass legislation controlling their wages, the magnificent wage of $1.25 an hour. The only reason they get that much is because this parliament passed legislation requiring that minimum to be paid. How can we with any kind of justice, sense or compassion ask workers who are already being

underpaid to accept this substandard agreement? What are these workers asking for in the way of an increase? They are asking that they be paid a wage based on a formula devised not by themselves but in the first instance by the railway companies and then by the conciliation board. This wage rate was based on the durable goods standard.

What does that standard involve? It involves a formula which, if used, would mean that the workers would be paid the same average wage as workers in other basic Canadian industries, including the steel, automobile and lumber industries. That is all the railway employees are asking the companies to provide.

If these workers were paid on the basis of the durable goods standard they would not receive the 18 per cent increase to which Mr. Justice Munroe referred. In this regard let me suggest that the Minister of Citizenship and Immigration did not know whether a 25 per cent increase would be fair because he felt that if someone proposed a 25 per cent increase someone else would raise that to 27 per cent. When he was a labour leader I am sure he read the documents prepared on behalf of the workers to explain their position. The 25 per cent figure comes from the durable goods standard as adjusted for the year 1966.

It must be made crystal clear that there is no mention in this bill of the 18 per cent figure referred to by Mr. Justice Munroe. He based that figure on his findings of 1964 when he adjusted the durable goods standard and reduced it by 7 per cent because of the inability of railway companies to pay the full amount. The suggestion that railway employees should be paid a fair wage rate on the basis of the adjusted durable goods standard is a suggestion based on a sound principle which deserves the support of every member of this house.

It may be that the government feels it cannot go that far, but I should like to ask why the government did not do what the Toronto *Star*, a responsible newspaper proposed, which would guarantee the railway workers an 18 per cent increase with the difference between 18 per cent and 25 per cent, as suggested by Mr. Justice Munroe, representatives of the railway unions and the conciliation board, to be negotiated at the bargaining table at a later date.

[Mr. Orlikow.]

This is what was said in the Toronto *Star* in an editorial in the edition of Monday, August 29. I shall just quote two paragraphs:

> A liberal version of the "durable goods" formula—based on wages in the automobile, steel and furniture industries—would give the railwaymen an increase of 25 per cent over the next two years. A more conservative interpretation of it, by chairmen of two conciliation boards which sat on the current dispute, would yield 18 per cent.
>
> It seems obvious that the government offer will have to be in the higher part of this 18 to 25 per cent range in order to tempt the men to return to work.

Obviously the Prime Minister did not listen to that advice given by the Liberal Toronto *Star*.

Parliament is asked from time to time to be responsible. These workers are being asked to be law-abiding, reasonable and responsible. Let me pause for a moment to digress. Members of parliament talk about the responsibility of Canadian railway management. Let us consider what the Ottawa *Citizen* of today stated in this regard. The heading of the article is "The Railway Strike" and the subheading is "Workers Must Wake Up to Facts—Gordon". Let me suggest that it ill behooves the president of the C.N.R., who receives a salary of $75,000 a year, to lecture the workers of the C.N.R. who are making an average wage of $4,500 a year. Perhaps if we took a little of that $75,000 a year away from Mr. Gordon some of the fat would come off his belly. Similarly, the president of the C.P.R. receives a large salary, between $90,000 and $100,000 as reported by the C.P.R. to the security and exchange commission in Washington.

The Toronto *Telegram* yesterday quoted the president of the C.P.R. as saying that workers of the C.P.R. who might remain on strike after this legislation was passed would forfeit their pension rights. Surely that is not the way to settle a dispute. Surely that is not a reasonable appeal to workers to be law-abiding. That type of action is tantamount to waving a red flag in front of a bull and Mr. Sinclair ought to know better than that.

I have talked about the wages of railway workers and about wages paid to other workers and the increases other unions have been able to obtain. Generally workers in Canada in this day and age have a fair education and are able to read newspapers. Some of them even subscribe to the *Financial Post*. They know that while the companies for whom they are employed cry about how poor they are and how Canada is pricing itself out of the markets of the world as a result of the

completely ridiculous demands of workers, the profits of these companies have never been as high as they are today.

Let me give a few illustrations showing the increases in profits received by some of these companies in recent years. The Imperial Oil Company had a profit after taxes of over $86 million, which represents a 26.8 per cent increase over its profits in 1962. Consolidated Mining and Smelting, which is owned as hon. members know by the C.P.R., made a profit of $53 million in 1965, which represented an increase of 130 per cent from 1962 to 1965. International Nickel made a profit of $143 million, which was an increase of over 52 per cent in the same three-year period. The Steel Company of Canada made a profit of over $43 million, an increase of 43 per cent in that three-year period. Those are the facts. That is why the workers of Canada, including railway employees, are demanding their just recompense from these industries. That is why the railway workers of Canada will not, in my opinion, go back to work even though parliament may pass this legislation.

Mr. Tardif: Is that what you are hoping for?

An hon. Member: Let them stay out.

• (7:40 p.m.)

Mr. Orlikow: I resent that remark by the hon. member for Russell because any member of parliament who knows how close to the margin these workers live and who knows anything about working people would not suggest that they go out on strike. If workers go out on strike it is because they have come to the conclusion they have no alternative but to defend their elementary rights. If the hon. member for Russell does not believe me, he should have listened to the high-sounding and flowing oratory of the Minister of Citizenship and Immigration before the supper hour. When it came to specifics the Minister of Citizenship and Immigration did not say much, but about the general rights of workers the hon. member for Russell can learn a good deal from that minister, if he can learn from anything, and I have some considerable doubt about that.

An hon. Member: He would not learn anything from you.

Mr. Orlikow: We have here a bill which provides that by legislation the railway workers of Canada must go back to work. The railway workers asked in their negotiations for a pay increase and the bill provides for a pay increase of 6 per cent. I do not want to take up too much time in re-emphasizing what other members of this party have said, but there was no real collective bargaining because both the C.P.R. and C.N.R. refused from the beginning to offer a single cent. They refused from the beginning to make a single concession to the workers whom they employ.

However, Mr. Speaker, there is a group of workers, 22,000 of them, represented by the Brotherhood of Railroad Trainmen who did not in their negotiations, and have not to this day, asked for a single penny more. They did ask that their collective agreements with the railway companies be amended to provide that there be written into those agreements clauses implementing the recommendations made by Mr. Justice Freedman with regard to the right of railway unions to have a say about material changes in the working conditions of the workers they represent. For those 22,000 workers who asked for implementation of the Freedman report there is not a single thing in this legislation except that under its terms they get a pay increase for which they did not ask. How ridiculous can this government be?

We heard some very fine words from the Minister of National Health and Welfare (Mr. MacEachen) and the supposed Minister of Labour (Mr. Nicholson), who has been conspicuous by his silence in this debate, although one would think that in a matter of labour-management relations this minister should be speaking for the government. We have heard some excellent speeches—I could almost say some excellent sermons—about the wonderful principles enunciated by Mr. Justice Freedman. But as usual, as is customary with the Liberal party, all we get are words.

This is not a new matter, Mr. Speaker. This matter was discussed in great detail by a parliamentary committee which met several years ago and brought in a unanimous report recommending action. This matter was gone into in great detail by Mr. Justice Freedman in the hearings he held after the illegal work stoppages carried out by railwaymen across Canada. After very extensive hearings and receiving representations from management and labour Mr. Justice Freedman made a report which has yet to be implemented by the government. Many statements have been made that the government is studying the report, giving it active consideration, favourable consideration, sympathetic consideration, and we are told that we will get action in the near future. I have the feeling that we will get action on the Freedman report, if it

is left to this government, about as quickly as the people of Canada have had action on the medicare promises made by the Liberal party in 1919.

Not only did Mr. Justice Freedman hold hearings and make a report but there was a conciliation board headed by Mr. Justice Little. That conciliation board brought in a unanimous report. What did the conciliation board say? They said it was time the government passed legislation to spell out the rights of the employees in the railway industry to be consulted and to have a say about changes in working conditions which affect them in a material way. What action has been taken in regard to that report? We are told again that action will come. I suppose the Minister of Citizenship and Immigration could have told us that there is a moral commitment on the part of the government to take action in respect of this report. But moral commitments are not part of labour-management negotiations and agreements. Moral commitments can be, have been and will be ignored by railway management in the future as they have been in the past.

This bill is deficient in a very serious way because the government has refused to implement the very clear recommendations of Mr. Justice Freedman. I should like to read just one paragraph from the official summary of Mr. Justice Freedman's report as contained in a press release. I quote from page 3, paragraph 5:

> Assuming voluntary agreement between the parties is not possible for the purpose of giving effect to the commission's recommendation, legislation would be required. Either the Railway Act or the Industrial Relations and Disputes Investigation Act could be employed. If the latter were used it would be possible to provide, by an appropriate amendment, that any technological innovation, development, or change proposed by the employer which would materially and adversely affect the working conditions of the employees should either be deferred for negotiation at the next open period or be dealt with in the same way as if it were a provision falling within the scope of subsection (2) of section 22 of the act.

It would not be difficult, if the government had the will to do so, to include in the bill before us a clause spelling out these rights. But as usual the government, faced by the opposition of the railway companies, faced by the opposition of Mr. Gordon and Mr. Sinclair, has been afraid to act and has not acted. I said when I began my speech, Mr. Speaker, that in my opinion the railway workers of Canada will ignore this law and will continue their walk-out.

An hon. Member: That is what you wish.

[Mr. Orlikow.]

Mr. Orlikow: I have not said that I wish it. I have said that in my opinion this is what will happen. I think it behooves the Prime Minister, and it is the responsibility of the government, to face up to this possibility which was spelled out pretty clearly, I think, in the letter to the Prime Minister I quoted earlier, signed by the leaders of the four railway unions.

If the railway workers stay out on strike, what can the government do? What will the government do? Will the government call in the troops? I see the former secretary of state nodding his head, apparently in approval and indicating that they will. Will that get the trains running? Will the government prosecute the workers? Can you send thousands of railway workers to prison? Is that what the government proposes? Is that what the government will do, a government in which we have the Minister of Citizenship and Immigration who was president of the C.N.T.U., and the Minister of Forestry (Mr. Sauvé) whose brother is secretary of the C.N.T.U.?

• (7:50 p.m.)

Less than two months ago the hospital workers of Montreal, who are affiliated with the C.N.T.U., were on strike. I suggest that that strike was as inconvenient and as serious for the people of Montreal as the railway strike will be for all the people of Canada. The Quebec government went to the courts of Quebec and got an injunction ordering the hospital workers to go back to work. That order was as much a part of the law of Canada as this legislation will be when it is passed today or tomorrow. The hospital workers of Montreal and their leaders in the C.N.T.U. ignored the injunction of the court until they got an agreement with which they felt they could live.

Now, Mr. Speaker, that is the problem and the crisis with which this government will confront the people of Canada by insisting on a bill whose provisions are considered by the railway workers of Canada as unfair and unjust, whose provisions they equate with class warfare and class injustice, and whose provisions I am sure they will ignore. I say that when that happens this country will be faced with mass civil disobedience.

I do not want to see that happen and I do not think it needs to happen. The railway workers of Canada have been law-abiding citizens. They want to continue to be law-abiding citizens but they are sick and tired of being second-class citizens. They want the same rights as every other worker in Canada,

the same rights about which the Minister of Citizenship and Immigration spoke so eloquently before the dinner hour. They want the same kind of wage rates that other workers in Canada have, and this bill, Mr. Speaker, completely fails to give them that.

I urge the Prime Minister and the government to amend this bill so that the agreement with which the railway workers of Canada are being asked to live by legislation will be an agreement whose terms and wage rates they can accept. If the Prime Minister does that, then there is still time to avoid what I believe will be the greatest crisis this country has ever faced.

Mr. Nicholson: Mr. Speaker, will the hon. member who has just spoken permit a question in view of his references to the durable goods standard? May I ask him whether he has read the reports of Mr. Justice Munroe and hon. Mr. Cameron in connection with these disputes?

Mr. Orlikow: I have read them. Let me begin by saying that it is good to see the Minister of Labour is still with us. He has been conspicuous by his silence during this debate. I have read Mr. Justice Munroe's report—

Mr. Nicholson: And also Mr. Justice Cameron's report?

Mr. Orlikow: —and Mr. Justice Cameron's report. I indicated during the course of my speech that I feel that what the railway workers of Canada are entitled to is not the durable goods standard about which Mr. Justice Munroe speaks and which he says would mean an 18 per cent increase but the adjusted durable goods standard referred to by the nominee of the railway unions on the conciliation board, Mr. Crow, which he estimates would mean a 25 per cent increase.

Mr. Nicholson: Mr. Speaker, would the hon. member permit a second question? Has the hon. member forgotten that Mr. Cameron in his report cites as the authority for the durable goods standard the hon. member for York South (Mr. Lewis), who spoke in the debate last night, and said on page 14 of his report:

> Mr. David Lewis, the nominee of the unions on the board concurred in the report—

This is from the the 1958 report.

> —of the chairman and in the report of his additional observations stated in part as follows:
>
> "I do not ignore the evidence of the differences between the railways and durable goods industries, so fully and properly set out and commented upon by the chairman in his report."

I will skip a few lines. It then continues:

> "In view of the history concerning the question of an appropriate standard of comparison it would be highly regrettable if the unions were asked or forced to abandon the durable goods standard."

Mr. Orlikow: Mr. Speaker, I suggest to the Minister of Labour that that lecture should not have been given to me because I believe in the durable goods standard but should have been given to Mr. Donald Gordon who, having first proposed the durable goods standard, went away from it as soon as the conciliation board accepted it in principle. Since then he has been talking about every other kind of standard but the durable goods standard. I want to say that it was after 1958 and after the hon. member for York South sat on that board that Mr. Justice Munroe amended his concept of what constituted the durable goods standard.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I intend to intervene only briefly in this debate and I rise on this matter because I come from a constituency which has a particular interest in this work stoppage as it seriously interferes with one of its main industries. The soft fruit industry has been fairly successful this year following a year of natural disaster in which the industry had a very poor crop. It would be a most unfortunate situation for those in that industry if in this following year they now had a man-made disaster that denied them a return on their work and their crop.

We have heard a great deal about letters that have been sent to the various members of parliament and I know that other representations have been made not only from my constituency but from other areas clear across this country that are caught in the same kind of squeeze. They are reminding us that the task for which we were called together was to see that the railways resumed operations.

I would like to remind some of the speakers who have participated in this debate that caught between the big unions, the big companies and big government are millions of small Canadians who stand to suffer a great deal if this strike is continued for any length of time. It is not only the soft fruit industry that will face hardship but also any constituency with an agricultural base or with a tourist or lumber industry.

The effects of the strike cannot be allowed to continue for any length of time. I know

that the railway workers have legitimate complaints. We have heard of them in many of the addresses that have been given. I know for example, that the inability, in spite of all the talk in this house, to restore the Dominion train on the C.P.R. has probably left them with less faith in this institution than they had before. Nevertheless I think the situation, bad as it is, has been made worse by the sort of misrepresentation of the terms of the bill which has taken place in this house in the last days. I think this is one of the things that the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) referred to, and I should like to congratulate him for having the courage to make the speech he did this evening.

• (8:00 p.m.)

I do not intend to take any great length of time. We in the Social Credit party are concerned about the economy of this country and the need to get the railways running. We feel that the figures mentioned in the bill are interim figures. We feel that the bill contains provision for mediation and, if necessary, for arbitration, and that the figures it contains by no means represent what will be attained when the dispute is finally settled.

Though we will vote for second reading of the bill we intend to move an amendment to clause 6 when we go into committee on the bill which will write into it the additional figures of 4 per cent, plus 6 per cent referred to in the conciliation report. We feel that the bill could spell out a little more clearly the moral commitment that the Minister of Citizenship and Immigration expressed in his address earlier. It is our intention to support the bill on second reading and to move the amendment I have mentioned in the committee stage.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am interested to find a number of people here who are greatly concerned about everybody else in the country except the railway workers. I realize that the people the hon. member for Okanagan-Revelstoke (Mr. Johnston) represents are very likely to feel strongly about this matter. I also realize that the prairie wheat farmers are likely to feel the effect of the situation. But I should be much more impressed if representatives of those bodies of workers were to be found in Ottawa standing shoulder to shoulder with the railway workers demanding that this government

[Mr. Johnston.]

treat the railway workers with fairness, because they should realize that the railways of Canada are as much part of the equipment of their farms as the equipment used on their fruit farms—their combines or tractors—or the equipment used on prairie wheat farms. They have as much responsibility as anybody else to make sure that that railway equipment operates satisfactorily.

I suggest, Mr. Speaker, that no one who will look with an objective eye at the wage scales of the railway workers, which have been placed on record in this house and have been revealed in hearing after hearing, can have any doubt whatever that railway workers in Canada have not been getting an adequate living standard. What have they been offered? We were told today by the Minister of Citizenship and Immigration that the government has a moral obligation to see that the workers will eventually get 18 per cent. What does this mean? Does this mean that the arbitrators who are mentioned in the bill are merely to be puppets of this government and that this government will tell them what they are to do? Or does it mean, Mr. Speaker, that the care exercised by this government not to include the 18 per cent in the bill was intended to make quite sure that 18 per cent should be the ceiling and not the floor? There seems to be no other interpretation that can be placed upon the matter.

We listened to an eloquent speech before supper. It was probably the most eloquent speech this house has ever heard. I wish I were capable of similar eloquence, but it was the saddest speech that I ever heard. Because, Mr. Speaker, what did we hear? We heard the great Minister of Citizenship and Immigration telling the railway workers to go back to work with 6 per cent—

Some hon. Members: Oh, oh.

Mr. Cameron (Nanaimo-Cowichan-The Islands): He was deciding that railway workers could carry the load for the rest of the workers of Canada.

An hon. Member: No.

Mr. Cameron (Nanaimo-Cowichan-The Islands): It was the saddest thing I have ever heard in this house. I heard a potentially great man bogged down in the muskeg of the Liberal party. "There have been moral commitments," I heard, Mr. Speaker. "Moral commitments." As my colleague from York South pointed out when he spoke, the railways of Canada—

Mr. Marchand: I rise on a question of privilege, Mr. Speaker. I think that is a complete misrepresentation of what I said.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, is it possible to misrepresent the minister when he is standing up in support of a bill that says precisely that, and when he is saying what he is saying as a member of the government? Is that misrepresentation? I suggest to you, Mr. Speaker, that the minister was trying to misrepresent what he said—

Mr. Marchand: Read the bill.

Mr. Cameron (Nanaimo-Cowichan-The Islands): We have read the bill, and we do not need any double-talk about moral obligations.

Mr. Deputy Speaker: Order, please.

Mr. Nicholson: Mr. Speaker, I rise on a question of privilege affecting all members of this house.

Mr. Deputy Speaker: Order, please. Will both hon. gentlemen sit down, please. The Minister of Labour rises on a question of privilege.

Mr. Nicholson: I rise on a question of privilege that affects every member of this house. I would ask the hon. gentleman who has just been speaking to find anywhere in this act a reference to 6 per cent. He has been challenged on that. Six per cent is not mentioned in the bill. It begins with 4 per cent. It is 4 per cent and later it will be 8 per cent. I point this out because I think that the hon. member asked for the record to be kept straight.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I assume that the Minister of Labour is capable of doing simple arithmetic.

An hon. Member: Are you?

Mr. Cameron (Nanaimo-Cowichan-The Islands): If he will use simple arithmetic he will find that the increase over the year, with a 4 per cent increase starting in January and a 4 per cent increase starting now, more than half way through the year, comes, at a generous estimate, to 6 per cent. If he does not know that I suggest he had better learn his arithmetic again. Really, my life is too short; I have not enough years left to try to educate these cabinet ministers. That is a great undertaking anyway.

My colleague from York South yesterday pointed out that the railways of Canada are a public service upon which every citizen in Canada depends. No one can disagree with that. But I want to put this to you, Mr. Speaker. Have you and I and other citizens of Canada the right to demand that this public service shall carry on at the expense of those who work in the operation of it? Because this is what we are asking today. Do you feel you are going to rest easily with your conscience when you remember what was told to you this afternoon by the only man in this house with personal experience of railway operations. You did not have the courtesy to listen to him, but he told you of workers, married men with children, who are getting less than $300 a month and whose wages will be increased by this formula by some $200 a year. Are you going to feel very happy about that? Will you feel very happy about that because of the great public need to have this transportation service in operation?

I am reminded, Mr. Speaker, of the story that is told of the bishops of the Anglican church in the House of Lords in Britain. They were trying to do away with child labour and with having children clean chimneys. The bishops said, "If we do away with this child labour, who will clean our chimneys"?

You are saying: "Let our railway workers starve; otherwise who will transport our goods?" That is what you are saying when you refuse to give them the sort of living standard that Canadian workers have a right to expect.

An hon. Member: The new left Liberal party.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I am sick and tired of economic illiterates standing in their places and prating of the dangers of inflation from wage increases. I am sick and tired of people with axes to grind who manage to use economic illiterates—and we have many of them reporting the proceedings of this house—to spread the idea that increases in wages cause inflation when, as anyone who has any knowledge of the subject knows, it is not increases in wages that cause inflation; it is the frustration of that intention to redistribute wealth which demands of wage increases amount to that causes inflation. If those who are in charge of our industries were prepared to allow real wage increases to take place, and

not to frustrate them immediately by actions which depreciate the monetary value of those increases which are granted, there would be no danger of inflation. It is simpler to blame the worker, and for simple-minded people it is very simple to do that.

• (8:10 p.m.)

I suggest, Mr. Speaker, that it is time we looked at the whole question of the relationship between the distribution of wealth in Canada and inflation. I suggest to you, sir, that while it is true that no wage increase ever yet caused inflation, on occasion perhaps some wage increases, I grant you, may cause a maldistribution of wealth. However, you cannot correct that until you have convinced the Canadian workers that everyone in this country is paying his full share into the national pot from which all of us draw our sustenance.

I want to suggest to hon. members opposite that when you are through with your panic, when you have stopped being frightened that the railroads might not run for a few weeks, you will have to sit at home and justify yourself for having forced these workers back to work at a miserly increase. This will have been done because you were afraid, because your government was frightened by the two big, fat gentlemen I saw in the corridor this afternoon. These are the people who have frightened the government and frighten the government much more than some poor little railroad worker getting $280 per month. He would not frighten anybody, even in the mass, until he decides to act in conjunction with others. Then he frightens everybody.

Everybody gets in a panic. I say to you, Mr. Speaker, that the time has come in this country when we have to deal with the whole question of the distribution of wealth and not deal with it on an ad hoc basis as each crisis occurs. We have to decide, for instance, about the railroads. They are a public necessity. I do not know what they would cost but I know that they can be operated only if those who work on them have a decent, living wage. I do not know what that would cost, but I am not concerned. If it is $200 million, $300 million or $500 million, that is the price we have to pay. I suggest that this government had better summon the courage to see that these funds are available. When they have done that, I suggest they take a further step and not leave it to the heads of the railway companies to handle these funds because they might find, for instance, that the Canadian Pacific's share had been shovelled into that handy hip pocket known as Canadian Pacific Investments into which the directors pour so much that it is now the third largest in Canada and into which the directors of Canadian Pacific have poured the pension fund on which Mr. Sinclair has said the workers are not going to be allowed to draw.

I suggest this government should have the courage to take steps to provide the money to see that there is a decent livelihood available for everyone engaged in this essential public service. They should take further steps also to see that they have control of the way in which the money is expended. This is the only way in which you are going to persuade the railway workers they are getting a fair deal. This is the only way you are going to persuade workers all across our country that they are getting a fair deal.

I say this to the trade unions. It is time they took another look at their function. It is time they realized they should embark on new functions, new duties. They should have a share in the decision making and accept a share of the responsibility for the operation of the industries whose decisions they have helped to make. This must be done if we are going to have political and economic peace in this country. We will not get it by this sort of business, this business of ramming a bill through in panic, terrified that the House of Commons may take an extra hour in dealing with it, otherwise the economic roof would fall in. Some of us might not be able to take that trip or perhaps some shipment will be held up. It is better to send the workers back to work at $280 per month than to have that happen.

You and I and our fellow citizens are the ones who will have to foot this bill, and we should be made to foot this bill by a government with some courage. I am convinced, sir, that if the Prime Minister could summon enough courage to lock his door to Messrs. Gordon and Sinclair for a while and, speaking bluntly to the Canadian people, tell them that in order to operate this essential rail service it is going to cost them so many millions of dollars and therefore they are going to pay that many more millions in taxes, he would have the support of every right-thinking Canadian.

Those are the things that we should be considering in this house rather than ramming through legislation in a panic. I do not know whether the workers are going to go back to work. I would think it doubtful myself, but perhaps they will. However, if

they do go back to work they will go back with a festering sore in the heart of the labour movement of Canada. If you think this is the end of the story, you are deluding yourself because this same situation will come back again and again to haunt us. We have to face this issue. We have to realize it is not good enough to say we must get the railways back into operation.

It is not good enough to put the railways into operation unless those who are doing the work are getting a living of which you and I can be proud, not ashamed as we must be tonight. I would urge the Prime Minister when he speaks, as I understand he is to do in closing this debate, to give us some indication that he has some realization of the dangers and pitfalls that lie ahead. It has always seemed to me that we have in this house two experts in the creation of chaos. I have been in this house quite a long time, and the sad part of it is that most of the worst mistakes and bumblings of our Prime Minister stem from his amiable, human qualities, human qualities that unfortunately the leader of a country cannot afford. In fact, I should like to put it in blunt, rude terms that a Prime Minister has to be capable on occasion of being a bastard. It is unfortunate that our Prime Minister is unable to be that particular sort of person. I might say in passing that the right hon. Leader of the Opposition (Mr. Diefenbaker) does not suffer from that disability. It is a sad thing, and I say this in all sincerity. I know, I have a fellow feeling for the Prime Minister.

It is difficult to take decisions that are going to create antagonism. It is difficult because all of us want to put off decisions; all of us hope that somehow our troubles will go away. They do not. It does not matter if our troubles do not go away, but it matters tragically if the troubles of a Prime Minister do not go away because they come back to haunt him and the unhappy people he leads.

Mr. Deputy Speaker: Order. I must advise the house that if the Prime Minister speaks now he will close the debate.

Right Hon. L. B. Pearson (Prime Minister): I should like to begin, Mr. Speaker, by thanking my hon. friend who has just preceded me for giving me such amiable and eloquent advice. I can assure him that at least I am quite aware of the fact that problems are not just going to go away and that there are lots of pitfalls ahead. I will do my best to deal with them in a way which perhaps will not satisfy him but may at least not destroy that amiable relationship which he has with me personally.

• (8:20 p.m.)

I feel it necessary in closing this debate to make as clear as I can the purposes and objectives of the government in submitting this legislation to the House of Commons. The legislation has been given the examination it deserves over the last few days. We have seldom had legislation dealing with a more critical matter in peacetime than that which is now before us, the second reading of which we shall soon be deciding.

As I say, I wish to set out as clearly as I can, and as unprovocatively and objectively as I can, the purposes and objectives we had in mind in this legislation and in the policy which is responsible for this legislation. I think it is important to do this, Mr. Speaker, because of misinterpretations which have been given—as I believe them to have been misinterpretations—and wrong interpretations which have been made—as I believe them to have been wrong—with respect to the meaning of the legislation and its clauses, which in my view could have the effect of misleading and confusing those who under this bill would be required to resume their duties.

Whatever we may think about the principles and purposes of this legislation it is of the most vital importance that those who are concerned directly by it should know exactly what they are being asked to do and why they are being asked to do it by this parliament which represents all the Canadian people. That is if the bill secures second reading; if it does not, that is a very different matter and the measure before us disappears and, no doubt, the government with it.

I believe these misinterpretations I have mentioned are especially misleading with regard to the wage figures in the bill for 1966 which have been put forward as indicating that these are somehow the final figures, the final increase that these 120,000 men affected by the legislation can secure in the next two years.

Let me mention, Mr. Speaker—and I intend to be brief this evening—the objectives of the government in putting forward this legislation. The first, of course—and this is the reason we are here—is to get the railways into operation again with the least possible delay. Believe me, this is not our only problem in regard to railways. It has been pointed out during this debate that there are many things behind this particular emergency which must

be dealt with, the importance of which has been underlined by the emergency itself. And it is possible both nationally and internationally in a period of crisis to do things one could not otherwise do for years when the urgency is not there, and perhaps we shall be able to move faster and farther in making certain changes in economic and labour legislation generally than we could have had we not been faced with the necessity of dealing with this emergency now. I hope so.

The second objective is to assure the workers of an immediate increase in wages retroactive to January 1, 1966, not a final settlement but an immediate increase, provisional and tentative, to be adjusted by processes laid down in the legislation. I recognize, and I am sure all members in the house recognize, that the railway workers, to whom this country has owed so much ever since this country was formed and the first railways were built, are entitled to an increase in their wages. There is no difference of opinion about that.

Some hon. Members: Hear, hear.

Mr. Pearson: The third objective is to interfere as little as possible with the normal process of free collective bargaining notwithstanding the emergency we face which has resulted in parliament intervening in this matter. I admit that much of this so-called process of free collective bargaining in recent years between the railways and their employees has been, as I think the hon. member for Burnaby-Coquitlam (Mr. Douglas) described it, a kind of ritualistic dance. I know this is true, and this is one of the things we shall have to do something about. We have been saying so for a long time. Nevertheless the principle itself of free collective bargaining is worth affirming, even in this situation.

The fourth objective is to ensure that any agreement arrived at by the intervention of parliament through legislation, a procedure which is adopted only as a last resort, will be fair and reasonable to the workers affected by it and, of course, to the railways as well. As far as the first objective is concerned, parliament is being asked in this bill to order the railways to resume operations, and direct the employees to resume their duties.

Next, provision is made for an immediate provisional and interim increase in wages. The government did not feel, Mr. Speaker, that either the government itself or parliament should set the standard even for an interim increase, though I believe this was done in 1950. We felt that some objective, judicial standard must be followed and that is why we decided to ask parliament to provide for an immediate provisional increase for 1966 of 8 per cent, 4 per cent to be effective on January 1, 1966 and 4 per cent to be effective on July 1, 1966.

Why did we select those figures? We did so because they are to be found in the reports of the chairmen of two of the conciliation boards, Mr. Justice Munroe, and the chairman of the only other conciliation board which made a report on these matters, Mr. Justice Cameron. We made this selection because of the long experience and high repute of the gentlemen who made these recommendations, their experience in making determinations of this kind, which I think has won the approval and respect of all who have had anything to do with this question. We selected these figures for 1966 also because on previous occasions when parliament has been obliged to intervene the reports of conciliation boards have been accepted as a basis for action.

• (8:30 p.m.)

Now, Mr. Speaker, we could have put the whole of the wage recommendations of Mr. Justice Munroe and Mr. Justice Cameron in the bill, the wage recommendations for 1966 and 1967. We did not do that, Mr. Speaker, after a great deal of consideration, because of our third objective which was to reduce legislative determination of a specific wage figure to the minimum required for fairness to those concerned with the processes of collective bargaining.

When we made this decision, 1967 was four months away. The legislative provision for 1967 would not have come into operation for another four months and we felt, and very sincerely felt, that it would be better and more advantageous to the employees themselves to have a further opportunity for bargaining before a legislative determination for a future year should be made. I confess quite freely that one cannot be too optimistic about the results of such collective bargaining in the light of the experience of the past with which we are all familiar, but we felt the right to bargain further should not be denied to the parties and we still can hope for results in the form of an agreement by negotiation.

Reference was made earlier this evening, and I thought a rather unpleasant reference, to the fact that the Minister of Labour (Mr. Nicholson) had not been around much and

had not taken part in this debate. Normally the Minister of Labour would have taken a very active part in this debate, and I would have been very happy indeed if he had been able to wind up the discussion on second reading. But the Minister of Labour was asked by the government to mediate in this matter from August 22 on and he has been doing that. As I pointed out in my first intervention in this debate, this mediation has been going on while discussions were taking place in the house. It is still going on and I assure you, Mr. Speaker, the Minister of Labour is very heavily engaged in that work of mediation and, being a mediator, did not see it as an appropriate course for him to take an active part in what was bound to be a very controversial debate.

Some hon. Members: Hear, hear.

Mr. Pearson: Our fourth objective, and this is as important as the others, in the long run perhaps the most important, was to make sure, as far as we could make sure, that any settlement reached would be fair and reasonable to the parties. We believed in the light of experience, in the light of the fact that we had specified the Munroe award for 1966, and again I repeat in the light of experience in past years, that there would be no doubt in anyone's mind who knew anything about this experience that any arbitrator would provide no less for 1967 than the Munroe award for that year.

In other words, we had no doubt that the total increase over the two year period would be less than the 18 per cent reached in the four instalments recommended by Mr. Justice Munroe and Mr. Justice Cameron. Since we had ourselves asked parliament to say that the men were entitled immediately to what Mr. Justice Munroe recommended for 1966—and that of course can be adjusted by the mediator as well as any figure for 1967—we felt sure, and we still feel sure, that no arbitrator would settle the matter for less than Mr. Justice Munroe recommended for 1967.

Some hon. Members: Hear, hear.

Mr. Pearson: It is quite clear, Mr. Speaker, that though we thought other people would also understand this it has been misunderstood by many—

Some hon. Members: Hear, hear.

Mr. Pearson: —due in large part to interpretations given and representations made as to the meaning of this legislation.

Some hon. Members: Hear, hear.

Mr. Pearson: I think it is regrettable that these misunderstandings should exist, and undoubtedly they do exist across the country from coast to coast among workers who are on strike.

Some hon. Members: Why?

Mr. Pearson: I have indicated one reason, because of the interpretation made—I have not even said misinterpretation—and because of the representations made—I have not even said misrepresentations—an impression has been created which is not based on the facts of this bill.

Some hon. Members: Hear, hear.

Mr. Pearson: Therefore, Mr. Speaker, we should clear up these misunderstandings, and I am sure we will when we come to the committee stage of the bill.

There are two other matters I should bring to the attention of the house because a great deal of attention has been devoted to them in the debate. We have been criticized for including a provision in this bill, even though it is a qualified provision, for compulsory arbitration. As I have just said, it is not possible to be overly optimistic about the results of mediation, although we hope the result will be good, and therefore we put a provision in the bill for alternative arbitration. We did this in the exact terms of the 1958 bill passed by the previous government, something which was made clear last night by my hon. friend, the Minister of National Health and Welfare (Mr. MacEachen). But we did add protection against arbitrary action by order in council through specific provisions in the legislation for review by the House of Commons and reversal if the House of Commons so decided.

It has been insisted by some hon. members, including the hon. member for Burnaby-Coquitlam (Mr. Douglas), that the provision for arbitration makes mediation meaningless. I am not as pessimistic about this as he is because experience—and this has been mentioned in the debate—has proven that is not necessarily so. There have been two cases where provision was made for arbitration, one by writing it into the bill itself and one by making provision for arbitration in the bill subject to government action.

In one case in 1950 mediation failed and arbitration was used. In the other case, 1958, arbitration was not required even though in that situation the interim award given was

much less than that which had been recommended by mediators before the government stepped in. So the record does not bear out the pessimistic conclusion of my hon. friends who are opposed to this legislation and say that arbitration will make mediation meaningless.

I should add that in the case where arbitration was used, in 1950, the provisional wage increase in the legislation was not merely confirmed but was increased.

Mr. MacEachen: From 4 cents to 7 cents.

Mr. Pearson: I believe that our qualified and protected provision for arbitration will introduce into this legislation a desirable element of decision, of finality, which I think is very important.

• (8:40 p.m.)

If we did not have the arbitration provision and if mediation did fail, what could we do? We would be exactly where we are now. Parliament would have to be called into session again or if parliament were sitting parliament would be asked to consider new emergency legislation to deal with the situation created by the failure of mediation, and we would have to go through this all over again. So, Mr. Speaker, I think we were not ill advised to put into the legislation in the circumstances the provisions which we did put in for arbitration if mediation fails.

A good deal has been said in this debate, and quite rightly, about the Freedman recommendations and the relation of those recommendations and the references to them in the conciliation board reports to the legislation before us. The Freedman report makes very clear—I referred to this in my first statement—that this is a difficult, complicated and far-reaching question with wider implications than for any single industry.

The recommendations of Judge Little's reports in this matter I think are very significant and very important because in those recommendations—and so far as I know this is the first time there has been this kind of agreement—there appears to be agreement between the representatives of the railways and the representatives of the unions that there should be negotiations between industry and labour before technological changes which have an important effect upon employment are put into operation. That is an important principle and we must implement that principle. I agree, Mr. Speaker, that this is an objective which we must do our best to achieve.

Judge Little went on to say this. I have quoted these words before but they are important enough to repeat:

> We trust that, when the ultimate decision is made in this regard, those making it will bear in mind the broad implications which it will undoubtedly have for many industries and commodities and will accordingly look beyond the interests of the parties hereto and the mere settlement of one industrial dispute.

In this connection I have mentioned already that the Department of Labour has been investigating the Freedman commission recommendations so as to be able to make a report to the government in respect of how and why they should be implemented or not implemented in their entirety. I had that report placed on my desk this afternoon. I hope that within a few days the government will have an opportunity to discuss it and decide how we can most quickly bring it before parliament.

I would also point out—I know hon. members know this—that there has been a committee of the Economic Council consisting of labour and employer representatives investigating the subject of technological change and unemployment. This committee will be reporting to a national council on labour-management relations early in November which is being called by the Economic Council to deal specifically with the effect upon employment of technological change. Therefore progress is being made in this matter. In the mediation, and if required in the arbitration provided for in this legislation, this is one of the matters which should be considered along with wage settlements and other matters. I hope it will be considered and I hope that further progress may be made as a result of that consideration.

Very briefly, Mr. Speaker, those are the objectives we had in mind in putting this legislation through the house. I have no reason to be defensive about this legislation, and I am not. In the circumstances I think it is a good bill for the purposes it is meant to serve. But I know, of course, that it is not perfect legislation, and there have been some suggestions made during this debate which undoubtedly will be considered in committee. I hope as a result of the consideration which we will be giving to this bill in committee shortly that we can make good legislation even better. I hope we can all rally around the kind of bill which comes out of the committee, even if it is not satisfactory to all

members of the house, and it will not be, because when this legislation passes it will be the will of the parliament of Canada and if it is the will of the parliament of Canada I know the law-abiding citizens of Canada, as they always have done in the past, will obey it.

Some hon. Members: Hear, hear.

Mr. Douglas: Mr. Speaker, may I be permitted to ask the right hon. gentleman a question. I should like to ask the Prime Minister a question with reference to his statement that the railway workers apparently had been misinformed regarding the true facts in this bill. I wish to ask the Prime Minister whether, in meeting with the leaders of the railway workers, he has explained fully the bill and if so why is it, according to the letter they sent today, that they still seem to be dissatisfied with the legislation?

Mr. Pearson: Mr. Speaker, I do not think the railway leaders are misinformed about this bill. I think they understand it. They may not be satisfied with it but I think they understand it. However, I believe there are a great many people in this country who do not understand it and who have been misinformed about it.

Some hon. Members: Question.

Mr. Brewin: Mr. Speaker, may I ask the Prime Minister a further question?

An hon. Member: Sit down.

Mr. Brewin: Mr. Speaker, will the Prime Minister permit a further question? I of course will sit down if he will not.

An hon. Member: Sit down.

Mr. Brewin: He apparently is a little more polite than some of his supporters.

Mr. Monteith: That is obvious.

Mr. Brewin: The Prime Minister has said that in the committee stage it will be possible to clarify the misunderstanding which he says exists as to the intent of the bill. Can the Prime Minister tell the house whether an amendment will be introduced by the government in the committee stage?

Mr. Speaker: Order, please. As the hon. member knows, the Prime Minister has concluded the debate. It seems to me that the hon. member is not asking a question but rather is continuing the debate which I assume has been concluded.

Mr. Brewin: Mr. Speaker, what I want to know and what I think the members of the house want to know, in order to help them decide how to vote on this measure, is whether it is regarded as possible by the government that an amendment may be brought in guaranteeing, as part of this law, that the recommendations of the conciliation chairmen will be included in the final settlement as a floor below which the decision of the board of arbitration cannot fall?

Mr. Speaker: Is the house ready for the question? Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Yes.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Pearson) which was agreed to on the following division:

YEAS

Messrs:

Addison	Cashin
Allard	Choquette
Allmand	Chrétien
Andras	Clermont
Asselin (Richmond-Wolfe)	Comtois
Badanai	Côté (Dorchester)
Basford	Côté (Longueuil)
Batten	Cowan
Béchard	Crossman
Beer	Davis
Benson	Deachman
Berger	Dionne
Blouin	Drury
Boulanger	Dubé
Brown	Duquet
Byrne	Émard
Cadieux (Terrebonne)	Éthier
Cameron (High Park)	Faulkner
Cantin	Favreau
Caouette	Forest
Cardin	Foy
	Gauthier

Legislation Respecting Railway Matters

Gendron
Godin
Gordon
Gray
Greene
Groos
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Hymmen
Isabelle
Johnston
Klein
Lachance
Laflamme
Laing
LaMarsh (Miss)
Lamontagne
Langlois (Chicoutimi)
Langlois (Mégantic)
Laniel
Laprise
Latulippe
Laverdière
Leblanc (Laurier)
LeBlanc (Rimouski)
Leboe
Lefebvre
Legault
Lessard
Lind
Loiselle
Macaluso
Macdonald (Rosedale)
MacEachen
Mackasey
McIlraith
McNulty
McWilliam
Marchand
Martin (Essex East)
Matheson
Matte
Mongrain
Morison
Munro
Neveu
Nicholson
Nixon
Nowlan
O'Keefe
Olson
Orange
Otto
Patterson
Pearson
Pelletier
Pennell
Pépin
Pickersgill
Pilon
Prud'homme
Racine
Reid
Richard
Rideout (Mrs.)
Rinfret
Robichaud
Rochon
Rock
Roxburgh
Ryan
Sharp
Simard
Stafford
Stanbury
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Thompson
Tolmie
Tremblay
Trudeau
Tucker
Turner
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan
Winters
Yanakis—138.

NAYS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Ballard
Beaulieu
Bell (Carleton)
Bell (Saint-John-Albert)
Bigg
Bower
Brand
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Chatterton
Churchill
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Douglas
Enns
Fane
Fawcett
Flemming
Forbes
Forrestall
Fulton
Gilbert
Grafftey
Grills
Gundlock
Hales
Hees
Herridge
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Howe (Wellington-Huron)
Irvine
Jorgenson
Keays
Kennedy
Kindt
Knowles
Korchinski
Lambert
Lewis
Loney
MacDonald (Prince)
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McCutcheon
McIntosh
McKinley
McQuaid
Madill
Mandziuk
Martin (Timmins)
Mather
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Noble
Nugent
Orlikow
Ormiston
Pascoe
Peters
Prittie
Pugh
Rapp
Régimbal
Ricard
Rynard
Saltsman
Schreyer
Scott (Danforth)
Scott (Victoria (Ont.))
Sherman
Simpson
Skoreyko
Smallwood
Southam
Starr
Stefanson
Thomas (Middlesex West)
Valade
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Winch
Winkler—103.

[Mr. Speaker.]

• (9:40 p.m.)

Mr. Speaker: I declare the motion carried.

Mr. Fairweather: Mr. Speaker, I was paired with the hon. member for Charlotte who is sick.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

The Chairman: Order. Pursuant to standing order 78 (1) clause 2 of the bill will now be considered.

On clause 2—*Definitions.*

Mr. Diefenbaker: Mr. Chairman, I wish to make a few general observations on the subject. When I spoke earlier I said that so far as Her Majesty's loyal opposition was concerned we wanted the matter brought to a vote at the earliest possible date. We have followed that course throughout—

Mr. McIlraith: Mr. Chairman, I wonder whether I heard the right hon. gentleman correctly when he said that on clause 2 he proposed to make general remarks.

Mr. Diefenbaker: Absolutely.

Mr. McIlraith: If I heard him correctly I think the situation is that the rules provide for general remarks to be made on clause 1.

Mr. Diefenbaker: Surely the minister is not suggesting that general remarks on this question are not to be allowed? Surely he is not taking that view now?

Mr. McIlraith: I do not mean to restrict the right hon. gentleman. I was drawing his attention to the fact that he began by stating something which is directly contrary to the rules and to the practice which has been followed in the house since the rules were amended. I respectfully drew his attention to that fact so as to find out what he had in mind, because the rules are explicit on the point.

Mr. Diefenbaker: Mr. Chairman, I draw your attention to the amazing propensity which the hon. gentleman invariably reveals when he is afraid of argument—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: We want to do something to make this monstrosity work.

Some hon. Members: Order.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We want to make suggestions regarding the bill in general and the minister is not going to throttle the committee. Let that be clear.

Some hon. Members: Hear, hear.

Mr. Pearson: Let us obey the rules.

Mr. McIlraith: I was not attempting to throttle the committee. Far from it. I was attempting very respectfully to draw the attention of the right hon. gentleman, who has been in this house for exactly the same length of time as I have, to the rules and practice of this house which I hope he would not wish to deliberately flout.

Some hon. Members: Hear, hear.

Mr. McIlraith: I was very respectful to the high office he holds in this house, as may be judged from the form in which I drew his attention to this matter, but if he is going to become abusive I would respectfully, Mr. Chairman, ask for a ruling on the point.

Mr. Diefenbaker: Mr. Chairman, the hon. gentleman raised the question immediately I began to speak.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Chairman, are the trained seals in full howl?

The Chairman: Order. The Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: My purpose in rising, until interrupted by the hon. gentleman, was to make some suggestions. If Your Honour wishes to rule against any argument being advanced I will await that ruling.

The Chairman: I must refer the committee to standing order 78(1) which reads as follows:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and if the first clause contains only a short title it is also postponed; then every other clause is considered by the committee in its proper order; the first clause (if it contains only a short title), the preamble and the title are to be last considered.

I was not a member of the committee which drew up this standing order, but I am informed that the intention of the committee was that consideration in committee should begin with clause 2 and that any general discussion should take place subsequently on clause 1.

May I also refer the committee to standing order 59(2) which states:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

• (9:50 p.m.)

Mr. Diefenbaker: Mr. Chairman, I find it difficult to understand what you have in mind because I see that under clause 2(1)(a) we are going to deal with the following:

> "collective agreement to which this act applies" means a collective agreement between a railway company and a union that expired on December 31, 1965, the renewal or revision of which was the subject of proceedings before a conciliation board the report of which was received by the Minister of Labour in July or August, 1966.

Is Your Honour ruling that we cannot discuss the collective agreement in a general way? Are we to be placed in the position where the government is afraid of argument and intends to apply closure in this way on a matter of transcendent importance to the people of Canada?

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am amazed that the minister in question, the government house leader, should have raised this matter. What are they afraid of? A discussion of a collective agreement? What is the reason for the objection?

Legislation Respecting Railway Matters

Mr. McIlraith: Mr. Chairman, I rise on a question of privilege. I want to repeat that apparently the right hon. gentleman did not hear my remarks. He started his remarks by saying he wanted to engage in a general discussion of the bill and I respectfully drew his attention to the rules of the house. He is now attempting to discuss clause 2, and so long as he discusses this clause, which is quite wide as he will observe—I am glad he has now read it—that is another matter. But I did feel it my duty as house leader in this somewhat difficult matter that is of the utmost urgency—

Mr. Diefenbaker: You are trying to block discussion.

Mr. McIlraith: —to raise this point in order to permit the right hon. gentleman to correct the error of his opening remarks which were in direct contravention of the rules and practices of the house.

Some hon. Members: Hear, hear.

Mr. Fulton: Mr. Chairman, the government house leader spoke on a question of privilege. I think it should have been on a point of order, and I would like to speak on a point of order relating to the matter he first raised. Since he and I have been in this house it has been the practice in the house to permit general discussion on the first clause of a bill in committee.

Mr. Byrne: There have been changes.

Some hon. Members: Shut up and listen.

The Chairman: Order, please. The Chair recognizes the hon. member for Kamloops.

Mr. Fulton: I am perfectly well aware that I said the first clause of a bill in committee. The first clause of this bill to come before the committee is clause 2.

Some hon. Members: Oh, oh.

Mr. Fulton: The new rule makes no reference to limitation of general discussion on the first clause to be taken up in committee.

Some hon. Members: Oh, oh.

Mr. Fulton: My hon. friends do not agree with that or they would not laugh again in that unrestrained and stupid manner in which they laughed a moment ago.

Some hon. Members: Hear, hear.

[Mr. Diefenbaker.]

Mr. Fulton: I would suggest to you, Mr. Chairman, that if it had been intended to change the practice and custom of the house the rules would have made it clear that that change was intended.

Mr. Byrne: What does that mean?

Mr. Fulton: It simply means that instead of taking up clause 1 of the bill first in committee we take up clause 2, but the new rule says nothing about changing the practice and custom of the house in permitting a general discussion on the first clause of the bill to be taken up in committee. As the Leader of the Opposition himself has pointed out, in this case, as is the case in many bills, it so happens that clause 2 is quite a general clause.

Mr. McIlraith: Then he can discuss it very fully and widely.

Mr. Fulton: My hon. friend is agreeing that it is a general clause and a general discussion may be permitted. If that is the case, what are we arguing about? Is the government attempting to limit discussion on this clause? This is all we are trying to establish.

Therefore, Mr. Chairman, unless you rule first that the new standing orders, which are silent upon the point, have changed the custom of the house with respect to general discussion on the first clause to be taken up in committee—and you have to make that specific ruling—and unless, second, you say this clause is so limited that there can be no general discussion, then surely it is open to the Leader of the Opposition to make general remarks on the subject matter of the bill. I suggest that if hon. members opposite will restrain their rude laughter we will make much more progress than with the present attitude they are displaying.

Some hon. Members: Hear, hear.

Mr. Lewis: Mr. Chairman, I want to deal with a completely different matter. I am not entering into the discussion that has taken place. I would like to ask the right hon.—

Mr. Olson: I would like to speak on the point of order that has been raised by the hon. member for Kamloops.

The Chairman: Order. The hon. member for Medicine Hat.

Mr. Olson: I would like to say that I have no disagreement at all—

Mr. Fulton: The point of order was raised by the government house leader.

Mr. Olson: I have no disagreement with the Leader of the Opposition entering into a discussion on collective agreements because that is part of clause 2 but, Mr. Chairman, I think that the statement of the hon. member for Kamloops must be challenged when he says that under the practice of the house the first clause considered by the committee, provides an opportunity for general discussion on the whole bill. When the committee on procedure considered this matter and its recommendations were adopted by the house, the provision that is now contained in the new standing order 78 was put there for the precise purpose of preventing repetition, on the first clause of a bill, of the debate that had just taken place on second reading.

Some hon. Members: Hear, hear.

Mr. Olson: When you couple the provisions of standing order 78 with the provisions of standing order 59, as the Chairman has just done, it is certainly clear that it was intended to mean, and I think it does mean, that there shall not be a repetition of the same debate that was concluded on second reading.

I do not want to say any more than that, but I thought it was necessary to remind hon. members in this instance that these changes were made for the purpose of preventing repetition of debate. As I say, I can see no valid objection to the Leader of the Opposition entering into a broad discussion respecting collective agreements because this clause deals with a collective agreement, but in my view that does not include a general discussion of all the other clauses in the bill.

[*Translation*]

Mr. Caouette: Mr. Chairman, on the same point of order, if we remember well, this is a new standing order intended to begin consideration of a bill with clause 2, and enabling us at the end, to revert to clause 1 and to the preamble of the bill, as you explained, a while ago, and I sincerely believe that the Leader of the Official Opposition (Mr. Diefenbaker) knows the standing order very well. I think the Leader of the Official Opposition should adhere to the rule as every other member of the house here.

Some hon. Members: Hear, hear.

Mr. Caouette: He may, during consideration of clause 2, argue about collective bargaining as much as he likes; however, he cannot, as he said at the beginning of his remarks, enter in a general discussion of the bill or of the principle of Bill No. C-230.

Opportunity to do that will be given to him at the end when we revert to clause 1 and to the preamble of the bill. However, in the circumstances, I think that the house leader of the government is perfectly right, and the Leader of the Opposition knows it well. He cannot blame the government in the circumstances. He has to adhere to the standing order agreed to by the house as every member should do, regardless of their political affiliation.

Some hon. Members: Hear, hear.

• (10:00 p.m.)

[*English*]

Mr. Baldwin: Mr. Chairman, apart altogether from the arguments made by the hon. member for Kamloops, I should like to refer Your Honour to the fact that clause 2 of this bill is an interpretation section, and I think a very cursory examination will disclose that the very terms defined and referred to are contained, I would suggest, in every clause of the bill which we are considering. Despite any ruling which you, sir, may see fit to make in respect of the first part of the argument, I would suggest to you with great respect that it would be almost impossible in examining clause 2 not to be free to deal with and discuss any part of the bill.

If the government had chosen to rely on its interpretation of the rule, clause 2 might have become clause 3, but being where it is I submit that Your Honour would find it very difficult indeed to close off the most general argument and discussion on this bill.

The Chairman: Order. May I refer hon. members to the *Journals* of the house for the year 1964-65 and to the report of the committee on standing orders presented to the house on Wednesday, October 7, 1964:

> Your Committee believes that it would be more appropriate for the first clause of a bill, when it contains only a short title, to be considered by the committee of the whole house after the other clauses have been considered rather than at the beginning of the committee stage. It also believes that this would make it less difficult to apply to the debate on such a clause the rule of relevancy set out in Standing Order 59(2).

As I said to the committee before, I was not a member of that committee and have no knowledge of what its intention was. But even if I did have such knowledge I must be guided by what is referred to me by the house. I read to the committee standing order

78 and also standing order 59(2), and I state again that speeches in committee of the whole must be strictly relevant to the item or clause under consideration.

Mr. Diefenbaker: Mr. Chairman, in commencing, my statement was to the effect that I intended to deal generally with this matter. There is no way in which a member can deal with the subject of the collective agreement referred to in clause 2(1) (a) other than to discuss generally the bill and its effect. I am amazed by the attitude of the government in endeavouring to prevent the opposition placing before the house and the country suggestions regarding the conciliation board report which will make this bill workable. That is what we set out to do in order to bring about a return to work.

The government has now commenced to realize the fact that the monstrosity it produced is in grave danger, if enacted into legislative form, of being ineffectual and inoperative. From the very beginning we took the stand in the face of the serious crisis facing Canada that we wanted to have the government realize that this bill in its entire form will not bring about, with that certainty which we expect and hope for, the object desired by all of us.

As I listened to the Prime Minister this evening I could not but conclude even he is beginning to realize this bill will have to be changed materially if in this House of Commons we are to achieve the purpose and objective we all have in mind. It is of interest that the collective agreement was, of course, dealt with at length by Mr. Justice Munroe, Mr. Justice Cameron, and Judge Little. Suggestions were made concerning what should be done. The government totally disregarded the major portions of the recommendations of Mr. Justice Munroe.

Last evening I listened to the Minister of National Health and Welfare in the House of Commons, and on the national television—I have never seen a person in such difficulty—trying to prove to the people of Canada that 6 per cent equals 18 per cent. He was on a greasy pole. Even with his capacity, his power of language and his attractive personality he was in difficulty. He was not able to establish that 6 per cent for 1966 represents the kind of offer that parliament should make under the circumstances.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We told you that at the beginning. We said, withdraw this bill and

[The Chairman.]

produce one which will work. The government claims that the bill in this form, clause 2 and the succeeding clauses, represents the epitome of perfection. Yet, while asking parliament to pass it, the Prime Minister has a mediator working on it in the person of the Minister of Labour; and he himself has met with representatives of the railway companies and also of labour because of the objections to the way in which the Munroe report and the other reports were being implemented.

The hon. member for Burnaby-Coquitlam spoke of the ritualistic dance. The government has to do that dance again. They have had to back down on almost every piece of legislation they have ever introduced and they will have to back down on this piece of legislation. As we said they would, they will have to reform it and amend it to make it effective. Everybody says that now. The Prime Minister says that somebody does not understand what his bill means. Well, I am surprised to hear that. They do not understand it. They have been led astray. Who led them astray?

• (10:10 p.m.)

Mr. Pickersgill: You did.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: We did not do that.

Mr. Pickersgill: You did.

Mr. Diefenbaker: I knew that sooner or later the hon. gentleman was going to say that, so let us read what was said today. I do not know any of these labour leaders who—

Mr. Pickersgill: Mr. Chairman, I rise on a point of order.

Mr. Diefenbaker: Would the hon. gentleman sit down.

Mr. Pickersgill: Mr. Chairman, I rise on a point of order.

Some hon. Members: Sit down.

The Chairman: Order, please.

Mr. Pickersgill: I rise on a point of order. Even by the very wide interpretation which was given to the new rules by the hon. member for Peace River one could not follow the procedure now being attempted by the right hon. gentleman. I have a good deal of respect for the mind of the hon. member for Peace River, but I think the particular things

contained in clause 2 and the desirability of amending them are the only things now debatable. Surely we cannot interpret the rules to allow discussion of anything possibly contained within the ambit of clause 2. If any other member of the house tried to do what the right hon. gentleman is doing I suggest it would not be tolerated.

Some hon. Members: Hear, hear.

Mr. Pickersgill: The right hon. gentleman having incited others to break the law cannot be expected to abide by the rules himself.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Chairman, I rise on a question of privilege.

Some hon. Members: Sit down.

Mr. Diefenbaker: Mr. Chairman, I rise on a question of privilege. No one, not even the perpendicular pronoun who has just spoken, can make that sort of suggestion, and I demand an immediate withdrawal.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Mr. Chairman, I suggest that—

Mr. Diefenbaker: I demand a withdrawal.

Some hon. Members: Withdraw.

Mr. Pickersgill: Mr. Chairman, I am quite willing to withdraw anything that the hypersensitive Leader of the Opposition wishes to have withdrawn.

Some hon. Members: Withdraw.

Mr. Pickersgill: I withdraw the statement and I do so willingly. The right hon. gentleman, having got himself into a terrible mess by opposing this bill, is now trying by a desperate stratagem to extricate himself.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I suggest that the right hon. gentleman should be obliged to abide by the rules.

Mr. Fulton: Mr. Chairman, I rise on a question of privilege. Although I think my purpose has been accomplished I do so to protest against the Minister of Transport taking the opportunity of a point of order to make a speech.

Some hon. Members: Oh, oh.

Mr. Fulton: I trust, sir, that the matter is practically closed, but that was my purpose in rising. I appeal to you, as I may again in the future, to prevent hon. members, who have no defence, from attempting to make that defence under the guise of a question of privilege.

Mr. Pickersgill: Perhaps I may continue and speak on this point of order now that the hon. member has made a speech under the guise of a question of privilege. Let me say that I feel we must all obey the rules of this house. When we are dealing with clause 2 we should deal with that clause and its contents rather than with letters from union organizations and other matters that are totally extraneous to this clause. I suggest, sir, that even the right hon. gentleman, in spite of any interpretation that has been advanced, should be obliged, like the rest of us, to obey the rules of this house.

Some hon. Members: Hear, hear.

The Chairman: Order, please. The standing order which the Chair must accept as a guide in this matter is standing order 59(2) which states:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I ask members of the committee to be guided by that standing order and to co-operate with the Chair in getting our business done as quickly as possible.

Mr. Diefenbaker: I thank you very much, Mr. Chairman, and I hope that the message you have spelled out has permeated the cranium of the hon. gentleman. I was dealing with the attitude we are taking and our desire to have action taken by parliament that will be effective.

The implementation of the recommendations of Mr. Justice Munroe was, generally speaking, completely ignored. Instead of following those recommendations the government decided, and the Prime Minister said this was a decision taken after deep consideration had been given to the matter, not to go beyond the first of January, 1967, but to leave these matters for further consideration. I have stated, and I repeat, that the form of the legislation before us would provide a 6 per cent increase for the workers for 1966. That is supposed to be acceptable, according to hon. gentlemen opposite. All I have to say is that the outstanding labour leaders of Canada do not need a lesson in reading

ordinary English from ministers trying to escape their responsibilities for having produced such a bill. These labour leaders do not require any lesson in simple ordinary English, and its interpretation.

Mr. Chairman, I had just reached the point at which I intended to place before the committee those views expressed today in a letter to the Prime Minister.

Mr. Pickersgill: Mr. Chairman, I rise on another point of order.

Mr. Diefenbaker: What are you afraid of?

Mr. Pickersgill: This is a much more serious point of order. It is a well established rule of parliament that the debates in this house are carried out by members of this house, and that nothing may be introduced from outside the house—

Mr. MacInnis (Cape Breton North and Victoria): Mr. Chairman, I rise on a point of order.

Mr. Pickersgill: I am now speaking on a point of order.

The Chairman: The hon. member is now speaking on a point of order.

Mr. Pickersgill: My point of order is this—

Mr. MacInnis (Cape Breton South): I rise on a point of order, Mr. Chairman.

The Chairman: Order, please. There is already a point of order before the house.

Mr. MacInnis (Cape Breton South): Then I rise on a question of privilege, Mr. Chairman.

Mr. Pickersgill: My point of order is a very simple one.

Mr. MacInnis (Cape Breton South): I rise on a question of privilege.

Mr. Pickersgill: Under our rules we are not permitted—

Mr. MacInnis (Cape Breton South): Mr. Chairman, I am rising on a question of privilege.

The Chairman: Order, please. I understand the hon. member is rising on a question of privilege and I would ask him to present it as briefly as possible.

Mr. MacInnis (Cape Breton South): My question of privilege is a simple one. If the Minister of Transport wishes to speak about the rules I would ask that the Chair and the Minister of Transport recognize one simple rule. Before he pops up and down like a yo-yo to speak in the house he should be recognized by the Chair. That has not been the case on the last three occasions he has spoken. He was not formally recognized by the Chair. While I am on my feet perhaps I may remind the house that if the snake pit becomes active again it will not bother me.

• (10:20 p.m.)

Mr. Pickersgill: Mr. Chairman, it is a well established rule that we cannot present opinions of others from outside this house as part of our speeches, when they relate to the debate that is currently before the house, unless we accept those opinions and make them our own. If the right hon. gentleman is prepared to endorse every word that is in that letter, there is no objection to his using it; but if he is seeking to bring persons from outside the house into the house to participate in our debates, he is offending against the most fundamental of all the rules of parliament.

Mr. Diefenbaker: Mr. Chairman, as I was saying a moment ago, the government says that these outstanding leaders in the labour movement of Canada cannot read or understand. Last evening the Minister of National Health and Welfare was on television. He was followed by Bill Smith, an outstanding leader, a responsible leader, who was most emphatic and said in effect that the argument of the Minister of National Health and Welfare was nonsense and what was being offered was 6 per cent—just that and no more.

Mr. Pickersgill: That is not true, and you know it.

Mr. Diefenbaker: Does anyone suggest that across this nation those able to read this bill could come to any other conclusion? The government knows now that they have not been able to fool anybody with this legislation. I am hoping that the government will be prepared to make the necessary amendments so as to assure that this legislation will be effective. I mentioned that a letter had been written to the Prime Minister of Canada, and copies were sent to the various members mentioned, including the Minister of Transport.

The Minister of Transport is a little hurt by what was said in this letter. He knows what these labour leaders said, but he does not want the Canadian people to know.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: This letter was directed to the Minister of Transport among others, or at least a copy of it. It begins "Dear Mr. Prime Minister," and it is dated August 31.

Mr. Pickersgill: Mr. Chairman, I think we should have a ruling on whether the right hon. gentleman subscribes to the contents of that letter. If he does not subscribe to its contents, he has no right to read it. If he is prepared to support the opinions expressed in that letter, I have no objection because it is quite according to the rules. But the right hon. gentleman knows what that letter contains and I should like him to have the courage to get up and say that he agrees with the sentiments expressed in the letter.

Mr. Diefenbaker: Mr. Chairman, I am not going to indulge in any competition with the hon. gentleman on that question. I simply say that the letter is a statement of fact. I cannot understand the attitude of the Minister of Transport. I am sure it is disturbing to the Minister of Labour to have this voluntary help that is being given to him by the Minister of Transport, who does not know anything about the subject.

The letter says: "Dear Mr. Prime Minister,"—I got as far as the date before.

> A meeting of some 80 representatives of unions involved in the railway dispute this morning—

That is today.

> —unanimously instructed us to inform you in the strongest possible terms that the legislation now before parliament is totally unacceptable.

That is something that we in Her Majesty's Loyal Opposition contended from the beginning. We told the government that. The next paragraph says:

> The position taken by this meeting was based on reports which we have received from all sections of the country. We feel our responsibilities, both to the workers we represent and to the country, very seriously. We ask that you and your colleagues give most serious consideration to making amendments which would make this legislation acceptable and avoid putting the railway workers of Canada in a position in which they are likely to ignore parliamentary action.

That letter is signed by R. C. Smith, W. J. Smith, W. P. Kelly and T. W. Read. We have been telling the government this. We did not know the view of the labour leaders, but we knew this legislation would not work. Yet the government decided to bulldoze it through. They were just going to do it in a big way. Now they have to have a sober second thought. I refer, of course, not to the question of sobriety but just to the thought. The government must now begin to realize that something has to be done. They had an opportunity tonight when the hon. member for Greenwood asked the Prime Minister the simple question: Are you going to do something about it? The Prime Minister would not answer.

What kind of government is this? They proceed by bits and pieces. We said this legislation would not work. We asked them to do something about it. We asked them to give consideration to some of the other recommendations contained in Mr. Justice F. Craig Munroe's report. Mr. Justice Munroe recommended certain ancillary matters. He recommended that effective January 1, 1967, the plan should be revised to provide $2,000 of life insurance for each participating employee, instead of $1,500, and to provide weekly indemnity payments of $50 as heretofore, the cost thereof to be shared equally by the railways and the employees, provided the present arrangement whereby the cost of $1,000 of life insurance and $10 of the weekly indemnity would continue to be borne by the special fund under the plan until exhausted. He recommended the institution of a prescription drug plan and a dental care plan that should be deferred for further consideration, after the institution of medicare. He did not recommend cumulative paid sick leave.

What have the government done? They have produced a plan that is meaningless and then say that the people have been misled. If you can tell me that more than 6 per cent is offered, when 4 per cent will be paid from January 1 and 4 per cent from July 1—

Mr. Nicholson: Eight per cent.

Mr. Diefenbaker: Well now, who said, "Eight per cent"?

Mr. Nicholson: It would be 8 per cent.

Mr. Diefenbaker: That does not amount to 8 per cent. It is 8 per cent in respect of a certain portion of it, but it is actually a 6 per cent rise, no matter what manner of mathematical ingenuity you try to perpetrate on the people. You cannot fool them with this kind of nonsense. These men are not fools. They can read. They cannot be bluffed by informing them that the government are actually carrying out those terms. Why did the government not carry out those terms?

Mr. Pickersgill: Those are the terms.

Mr. Diefenbaker: This course was adopted simply because the government thought they

could get away with it. They speak about messes. I have seen their faces in the last couple of days, and if ever a government qualified for being in that position, they do. Never before were they in such a position, and they know it. They have to back down; they have to make another of those fantastic retreats. They have to do this and cannot get away from it. They talk about that dance; they have to do it.

• (10:30 p.m.)

This is what we have been asking the government to do from the beginning. We said: prepare a bill that is fair and reasonable and will have a chance of acceptance. You gave the seaway workers 30 per cent. This was approved of by the government of Canada. The Prime Minister, with his usual jocularity laughs about this; but the seaway authority would not act without cabinet approval.

The government must act now, and I would like to see them rise at this time, not in a spirit of defeatism, not on the defensive, as the Prime Minister said—

Mr. Olson: Mr. Chairman, I rise on a point of order. You have recited the rule of relevancy to the committee three times, since the right hon. Leader of the Opposition began his discussion.

Speaking on another point of order, I said, and I think hon. members agreed, that the right hon. Leader of the Opposition has the right under clause 2(a) to discuss the definition of a collective agreement, but since then we have listened to him debate the whole field from the Munroe report to the seaway workers settlement, etc., all of which, in my opinion, is quite beyond the provisions of standing orders 78 and 59 (2). In spite of your attempt to persuade the hon. gentleman that he should stick to the rule of relevancy it seems to me that he has gone completely beyond the matter under discussion.

Under clause 2(a) we read the head note: "Definitions. Collective agreement to which this act applies." This is an expression that is used in many sections of the act. Clause 2(a) reads as follows:

> "Collective agreements to which this act applies" means a collective agreement between a railway company and a union that expired on December 31, 1965—

The only subject matter under discussion is whether or not that definition means precisely what it is intended to mean. If the right hon. gentleman has anything to say concerning an amendment to that definition on collective agreements, then I think he is quite in order; but whether or not we will succeed in bringing the right hon. gentleman back to the rules of this house I am not quite sure. However, I think it should be registered that he has gone completely beyond the traditions, practices and rules of this house in the discussion of a specific clause in committee. I hope that even if he does succeed in continuing his speech, he will not be setting a precedent by repeating a debate that was concluded and voted on by this house only a few minutes ago.

I therefore wish to register my objection so as to avoid setting a precedent in any further speeches that will take place.

The Chairman: I can only quote to the house again standing order 59(2) which has been given to the Chair and which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I would also ask members of the committee to co-operate with the Chair in seeing that the rules of the committee are obeyed.

Mr. Diefenbaker: Mr. Chairman, I have been here a long while and I do follow the rules. The hon. gentleman from Medicine Hat always reminds me of that chap who helped a Roman emperor whenever the latter found himself suddenly in difficulties. The hon. gentleman is the government's assistant, its chore boy and water boy.

I want to see this bill improved; does not the government? Is that the reason they are objecting? Do they want to push this through and not make the necessary changes? We say: You have to make changes.

Mr. McIlraith: Get on with it, then.

Mr. Diefenbaker: You cannot get away with this. You can howl me down when I say you must make changes. The Opposition has contended from the beginning that this legislation will not work. You know it now and you have got to back down. You have to join in what has become the ritualistic dance of the present government: You go forward a bit, then back up, and then go in another direction.

These interruptions do not bother me at all. I enjoy them just as much as you enjoy them.

Mr. Prud'homme: Mr. Chairman,—

Mr. Diefenbaker: Of course, this hon. gentleman's capacity for thinking at all does not bring him within the ranks of those about whom I was speaking.

[*Translation*]

Mr. Prud'homme: Mr. Chairman, on a question of privilege.

I have always felt that I could consider the right hon. Leader of the Opposition (Mr. Diefenbaker) a past master of parliamentary procedure. During the two and a half years I have been sitting in this house I have always looked upon him as an expert in parliamentary procedure and I am in no way impressed by his attempts to ridicule me.

Nevertheless, my feeling is that he who has been sitting here for 25 years should rather set an example to be followed by the younger members of the house.

[*English*]

Mr. Diefenbaker: Mr. Chairman, I said the hon. gentleman is one of the most able in the house, and if I said anything that is disturbing to him I assure him it was not designed to be hurtful. I think a great deal of him as a fine parliamentarian, in his own way.

Now, sir, all I want to do on this occasion is to ask the Prime Minister to let the House of Commons know now what changes he plans to bring about. We want this legislation to be effective. Almost every newspaper in Canada contends that what has been done here is not fair and reasonable. The Toronto *Daily Star* says "Ottawa rail offer isn't enough".

Mr. Nicholson: Mr. Chairman, this very article to which the right hon. gentleman is now referring was read yesterday in the house. The very purpose of the rule to which reference has been made by the house leader was to avoid debate that has already taken place on second reading. We are now getting exactly the same material which we got in the debate on second reading.

Mr. Churchill: That was a fine contribution to the debate.

The Chairman: I do not think there is any need for me to read again to the committee the relevant standing order, but I would again ask the right hon. Leader of the Opposition and other members of the committee to assist the Chair by obeying the standing orders as they are given to the Chair.

• (10:40 p.m.)

Mr. Diefenbaker: May I make it simple so that the Minister of Labour will understand me. May I ask him now: Are you going to bring about changes? Are you going to assure us that the collective agreements will be amended by this act in such a way as to preserve the security of Canada, while at the same time giving justice and equity to the workers? It is as simple as that. I know that the minister is anxious to rise and say that he will do so. If he will only do that, we will eliminate a great deal of discussion. We told you this would not work. It has been put together for the purpose of bluffing the workers and the people. We want the strike to end at the earliest possible date. We want an effective act passed by parliament. We want an act that will not permit, condone or invite evasion on the part of Canadians to whom it will apply.

I now give the Minister of Labour an opportunity, with all that great experience he has had beginning with the 30 per cent increase, to tell us what he is going to do about this question. He knows that the situation across Canada is serious. The government tries to pretend labour men have been misled by argument in the House of Commons. If it had not been for our stand you would not be willing to make any changes. I understand that now you are prepared to follow the usual course as a result of the strong representations made by Her Majesty's Loyal Opposition as well as by members of the N.D.P. You realize that what you placed before the house will be a nullity unless you make alterations.

I ask you, are you going to do it or are you going to go ahead bullheadedly and put through this legislation regardless of the consequences? We ask you, will you amend it? Will you bring in recommendations to amend it? The Prime Minister reads a paper at a time when people all over Canada are wondering and are seriously concerned about the economy of Canada as well as the preservation of the rule of law within Canada. I say if you are going to put the bill through—and you have the allies to put it through—then having put it through I warn you, as I warned you before, this legislation will have to be amended to indicate a degree of fairness which has been missing up to the present moment.

Mr. Pearson: I doubt, Mr. Chairman, that I will be able to follow the chaotic excitability of the right hon. gentleman who has just resumed his seat in the discussion of clause 2 of this bill in committee. I remind the committee that we are facing a grave national emergency and that second reading of the bill has been carried. We have decided to sit here,

if it will accomplish anything and nothing has been accomplished up to the present, all evening in order to deal with these clauses one by one. There is no doubt that some of the arguments advanced by the more reasonable members of this house have been worthy of consideration. Points have been raised outside the house that are worthy of consideration. I said that during the committee stage we would look at the bill clause by clause and where clarification or change was necessary we would make it.

The right hon. gentleman has tried to exploit this situation, of course. He has made the most he could of it in a narrow, partisan way.

Mr. Diefenbaker: Is it partisan to want fairness?

Mr. Pearson: The reason for this is, no doubt, that he is interested in ending the strike, but I wonder if he is not even more interested in ending the government?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Prime Minister and the government have done that effectively without assistance.

Mr. Pearson: I am glad, Mr. Chairman, that the right hon. gentleman has confirmed that he is more interested in ending the government than in ending the strike. However, we are interested in ending this strike and getting the men back to work on fair terms through a bill which will commend itself to them. If hon. members in this house can produce improvements to this bill, we will consider them, and we have some improvements to make ourselves.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The opposition got results.

Mr. Lewis: Mr. Chairman, I tried to rise on a few occasions. I gathered from the speech the Prime Minister made in closing the debate on second reading, and I gathered from the remarks he has just made, that the government does have some amendments in mind. I have been trying to rise to my feet, Mr. Chairman, to suggest to the right hon. gentleman or the Minister of Labour, whoever is piloting the bill, that it would be of great assistance to all of us in this house if we knew now what amendments the government has in mind. I hope that from now on we can get down to work.

There is surely no purpose in our sitting here with amendments to various clauses of the bill, as we are doing, if in fact the government has in mind suggesting amendments to those clauses. We will merely become confused if we go through the bill clause by clause and get these amendments one by one. I have not been long in the house but I have practised law, as others here have, and everyone knows quite well that the clauses of a bill relate one to the other. In order to understand the bill and the act which is to follow, you have to have the entire thing before you. In this way you can see the relationship of one clause to another. It will save a great deal of unnecessary argument, it will save a great deal of unnecessary recrimination, of which I suggest we have had more than enough, if these amendments are produced. I plead with the Prime Minister and the minister not to keep these amendments secret and produce them one by one but let us have all of them now so that the members of the house may know what the revised bill is like.

I expressed the hope on behalf of my party, as did my leader and others, that there would be changes. I am delighted to hear there are some. I only hope they are adequate. I appeal to the Prime Minister to give us all the amendments now so that we may know what the revised bill is like.

Mr. Nicholson: It has been drawn to the attention of the house already, Mr. Chairman, that I have taken very little part in the debate during the last three days. I think there are good reasons for that. I have had the opportunity of listening to the representations made by persons directly concerned every day since the bill was first introduced. I have no doubt that the leaders who signed the letter to which reference was made by the right hon. gentleman do understand the bill. However, there are approximately 120,000 railway employees in different parts of Canada who are getting distorted and garbled versions of the bill.

The Minister of National Health and Welfare made it quite clear, and I think if you refer to the introductory remarks of the Prime Minister on Monday night of this week you will see he indicated also, that we were accepting in principle, as a provisional item in the collective agreement, the recommendations that were made on wages by Mr. Justice Munroe and concurred in by the other chairman, hon. Mr. Cameron.

• (10:50 p.m.)

Not only have representations been made to me and to others—I have no doubt some have been made to hon. members on both sides of the house—as the Prime Minister has pointed out, some very worth-while suggestions have been made in the house in the course of the debate. Only this afternoon the hon. member for Okanagan-Revelstoke intimated that his party was going to move an amendment and make a worth-while recommendation. I might say that I have stated more than once of late to responsible labour leaders that if the bill needed clarification it would be clarified when we got to the committee stage.

I should now like to advise the house that in response to requests which have been made to the government I intend to move when we come to clause 6—hon. members might look at line 29 on page 3 on which clause 6 appears—that after the words "January 1, 1966" the word "and" be deleted and that after the words "July 1, 1966" in line 30 the words "an additional 4 per cent effective January 1—".

The Chairman: Order, please. For the last half hour we have been referring to clause 2. I recognize that there has been a request for the Minister of Labour to give this information but if this information is to be given in respect of clause 6 I would ask whether there is unanimous consent of the committee.

Some hon. Members: Agreed.

Mr. Diefenbaker: Now we are getting down to something.

Mr. Nicholson: Going back to what I was saying, after deleting the word "and" we shall, as I have suggested, add "an additional 4 per cent effective January 1, 1967, and an additional 6 per cent effective July 1, 1967". Then, Mr. Chairman, consequent upon that amendment, if it is accepted by this committee, I intend to move that the preamble of the bill be amended to make a consequential change in lines 15 and 16 by deleting the words "for terms and conditions of employment for the year 1966". It would then be necessary—

Mr. Diefenbaker: Would the minister please repeat that? I did not get what he said about the preamble.

Mr. Nicholson: In lines 15 and 16 of the preamble the words "for terms and conditions of employment for the year 1966," and the comma are to be deleted.

Mr. Fulton: Is that an alteration?

Mr. Nicholson: It is just a deletion. It has been pointed out that doubts have arisen as to the amounts, the additional amounts to be received. I would make it clear that the preamble as amended would read:

—for the resumption of the process of negotiation and mediation and for the final settlement of terms and conditions of employment for the years 1966 and 1967;

These are the two amendments that I propose to move. I could give hon. members the reasons why they are being made, but to expedite the business of the house and save time, I am now giving notice of my intention to so move.

Mr. Fulton: Mr. Chairman, I am quite certain that every member of the committee will welcome the statement made by the Minister of Labour. It is profitless to discuss why he made it and who has won the debate. One could indulge in this sort of argument, but we can all draw our own conclusions from what may be said. I do not think we should waste time in deciding which side may congratulate themselves for it.

I congratulate the minister and the government for having made a sensible move with which we concur and which we have been urging for some time. I am sure that both the companies and the employees involved in this dispute will be gratified to have the assurance just given by the minister of the incorporation of the recommendations of Mr. Justice Craig Munroe, so that there will be this increase as a condition of resumption of employment.

There are one or two other matters which I should like to raise with the minister at this stage, since we are now proceeding by co-operative agreement, with reference to certain points that were raised earlier. I am going to put them forward as matters for consideration and I hope that the minister and his colleagues will give consideration to these points. I am not now demanding an absolute undertaking. That would be improper. But I do hope that the points will be given immediate consideration and that we may have some assurance, either by way of amendment in the committee stage or by way of assurance from the minister, that they will

be embodied in the instructions to the mediator. I hope either one of these courses can be adopted.

It is my understanding, Mr. Chairman, that of almost the same if not equal concern to the employees as the matter of wages are the conditions of work or what one might call fringe benefits on the one hand and the recommendations of the Freedman report on the other. I am not suggesting for a moment, and it is not the position of this party for one second, that everything demanded by one side in the dispute has to be conceded before operations or negotiations are resumed. May I make that clear. On the other hand, I should like to make very clear that it is my view that the men who work have very legitimate and real concern in that at the moment they have no assurance that any consideration will be given, or that any bargaining in good faith will be undertaken with respect to those two very important aspects or areas of employment.

What they are asking is not that parliament should write the details of a settlement into this legislation but rather that we should undertake to these men that as a condition of their resuming work the mediator will be directed, and indeed will be required, to give attention to these matters and to have the parties bargain in good faith with respect to those two areas that I have mentioned. If we could get some assurance from the minister and the government either by way of amendment or statement as to what will be the policy that will be laid down, as it were, to the mediator with respect to the matters that he must take under consideration and mediate, I think that would complete the assurances and the improvement, if I may put it that way, of the bill.

There is another matter I should like to mention which relates particularly to the operating employees as distinct from the non-operating employees. It is very complicated and I find it difficult to express precisely. I do not want to take up too much of the committee's time. I know there will be discussions, and this matter is of very real concern to that particular group of employees.

• (11:00 p.m.)

It is a fact that under the legislation enacted in 1965 known as the Canada Labour (Standards) Code these men are to be placed on a 40-hour week whereas in the past they were on a mileage basis. There are great complications confronting them on the railways in the transition from the current basis of employment to the hourly basis. I am told by these men and their representatives that in the whole course of negotiations they have been unable to obtain any assurance that the transition from the one basis of employment to the other will not result in a substantial reduction in their basic pay. Indeed, I am told that what they presently earn and the mileage they put in, if translated into an apparent hourly rate and then translated in turn into a 40-hour week, would produce a figure which would result over the year in an average reduction in basic pay amounting to as much as $1,500 a year. So what they have asked is an assurance that their new hourly rate of wages on the basis of a 40-hour week will be sufficient to provide the equivalent of what they are now earning, and that the question of an increase should then be the subject of negotiation, as are the other matters, in accordance with the amendment to be introduced by the minister.

They tell me they have been unable to get any assurance that they will start with their present basic aggregate take-home pay. The result is that they are represented as asking for as much as a 40 per cent increase. This is not what they are asking. They are asking that they should start at the same basic aggregate pay as they are now receiving and that this should then be subject to increase as provided in respect of all the other wage increases. If an assurance along these lines could be given I know it would go a long way toward settling the concern of the operating employees in the Brotherhood of Railroad Trainmen. I realize it will be difficult to put this proposal into legislative form, so I am not putting it forward in the form of an amendment. However, if the minister could assure us that the mediator would be instructed that this would be the basis upon which negotiations would start so far as this union is concerned, the purpose of my intervention would have been achieved.

In making this proposal I do not pretend that I am an expert and that my word is the last word on this subject. I do so on the basis of the discussions I have had with the men who work on the railways and on the basis of my very real desire to see that the legislation we pass in this house, while not based on the dictates of either management or labour, may nevertheless be calculated and expected to command support and contain provisions which we ourselves know to be fair and to meet the basic requirements upon which it is just to demand a return

to work. I hope we may be given some such assurance by the minister.

Mr. Nicholson: I think the quickest way to answer the constructive observations made by the hon. member for Kamloops would be to refer to clause 9 of the bill which states:

1. The Minister of Labour shall appoint a mediator or mediators . . . who shall forthwith endeavour to mediate the matters in dispute—

That is, the matters in dispute in all five of these conciliation proceedings. The subject to which the hon. gentleman has just referred, the problem of the railway trainmen having to switch from a mileage basis of pay to an hourly basis and a 40-hour week, is well understood by me and my department, I can assure him of that. We had to deal with a somewhat similar situation, though it was not actually related to mileage, during the truckers' strike earlier this year in Ontario, and I can assure the committee that in the instructions we are giving to the mediator or mediators the problem of the railway trainmen with regard to the take home pay will be included. Obviously time is important in these considerations and because we have a series of these matters to deal with, we may have to appoint more than one mediator to get results before November 15. We hope this will not be necessary but if it is, we intend to do so.

With regard to the Freedman report, the committee already has the assurance given by the Prime Minister earlier this evening and when we reach the relevant clause later I am sure this matter can be cleared up.

Mr. Douglas: Mr. Chairman, I should like to express to the Minister of Labour the thanks of this party for his compliance with the request of my hon. friend from York South by informing the committee with regard to the amendment he proposes to move when we reach clause 6. I think this will shorten the debate in committee and will have the effect of making this legislation more palatable to the railway workers.

I would say to the minister that this is not merely a matter of clarifying the situation for the railway workers. The reasons we in this party have been pressing the government to put into the legislation at least the formula recommended by Mr. Justice Munroe, the chairman of the conciliation board, are twofold. First, the workers will know that they have the guarantee that they cannot get less than the conciliation board recommendations, recommendations which, by the way, they had rejected. Second, and even more important, it means that in future mediation, negotiation or arbitration the formula will become the floor and anything which the arbitration board may award will be in addition to it.

On the other hand, if the formula had not been provided in the act the men might have had to fight in negotiations and fight before an arbitration tribunal to get even the recommendations of the Munroe conciliation board. It is therefore most important that the workers should know that whatever a tribunal may recommend they will not get less than a formula which they have already rejected.

• (11:10 p.m.)

By introducing the amendment which he is going to introduce the minister will at least have removed this feeling. I hope he will be able to persuade the Minister of Citizenship and Immigration and the Minister of National Health and Welfare to vote for it, because they made speeches saying how much it would interfere with free negotiations if we inserted in the bill the formula for 1967 which had been proposed by Mr. Justice Munroe. Now that they have had the rug pulled out from under them, and all their eloquence wasted on the desert air, I hope they will take it in good part and support the amendment.

It should be made clear what this will mean. It will mean two 6 per cent increases in 1966—

Mr. Nicholson: On a point of order, Mr. Chairman, I cannot hear the hon. gentleman.

Mr. Douglas: —and in the second year of the agreement it will mean a further increase bringing the total to 18 per cent at the end of the two year period. That is the minimum which the men know they will get, and they have the hope of getting something more in mediation. This is not a clarification. It is a new principle, and we are glad we will now have a legal commitment rather than a moral commitment. I know that the Minister of Citizenship and Immigration, who signed hundreds of agreements, did not like moral commitments. He wanted them down in black and white.

In considering further amendments I would ask the minister to give some thought to the second point, namely that Mr. Justice Munroe made certain recommendations with reference to fringe benefits. He rejected some things and recommended others. I see no

reason why those recommendations should not also become the floor for negotiations, and if necessary for arbitration.

If the government is prepared to accept the financial and wage recommendations of Mr. Justice Munroe it should also be prepared to incorporate in the bill the fringe benefit recommendations which the conciliation board thought were fair and reasonable.

With reference to the point made by the hon. member for Kamloops, before this bill passes committee stage we will want something much more specific with respect to the implementation of the recommendations of the Freedman commission. It is unfair to ask these men to submit to further negotiation and arbitration something which has already been referred to a royal commission from which they got a favourable decision. If they had got an unfavourable decision they might have been reconciled to arguing the case again; but having got a favourable decision from the Freedman commission they are entitled to have it written into the law, so that with respect to future technological changes they will have some guarantee of advance notice and consultation.

If they do not get that, then the steady decline in the number of men engaged on the railroads will continue to cause anxiety and insecurity. The minister could do a great deal to make this legislation palatable and ensure its quick passage if he were prepared to give us something more specific with regard to the implementation of the recommendations of Mr. Justice Freedman.

[*Translation*]

Mr. Caouette: Mr. Chairman, after listening to the Minister of Labour (Mr. Nicholson) quoting the amendments he proposes to section 6 of the bill, providing in 1966 for an increase to the railway workers of 4 per cent in January and 4 per cent in July so that 6 per cent is gained for the year 1966, the minister adds to the bill that on January 1, 1967, another 4 per cent will be granted and 6 per cent on July 1, 1967. This means that for the first part of 1967, the railroad workers will receive a 12 per cent increase and that at the end of 1967 for the latter part, they will receive 18 per cent.

The original bill left the door open to negotiations between the parties involved. Mr. Chairman, I should like to bring the following fact to the attention of the Prime Minister and of the Minister of Labour: this 18 per cent increase was recommended by the conciliation board before the strike started.

Now, members of parliament were called to a special session to be asked to offer exactly what the conciliation board offered and today, the N.D.P. members, as well as the Conservatives, thunderously applauded the Government decision to include the full amount, in the bill, that is 18 per cent over two years.

Mr. Chairman, I think the workers, the employees of the Canadian railways will be left holding the bag. The strike could have been avoided if the labour leaders had been responsible Canadians and had accepted the conciliation board offer. There would be no strike today, the workers would not have lost any wages and would not be worried and we would not have heard the statements of certain leaders that the workers would not go back to work for anything less than a 30 per cent increase.

Mr. Chairman, this increase had been offered—

Mr. Marchand: I should simply like to inform the hon. member that if the workers had agreed, the railway companies would not have accepted it.

Mr. Caouette: Mr. Chairman, when the conciliation board suggested 18 per cent, were the railways ready at that time to negotiate on the 18 per cent proposition.

Mr. Marchand: No.

Mr. Caouette: It has been stated here in the house, that the conciliation board felt that 18 per cent was reasonable, while railway union leaders demanded 30 per cent, and that the government and the railways were told the men would not go back to work unless they obtained 30 per cent. This statement was made by Mr. Hall, in Montreal.

Mr. Chairman, I believe and I maintain the whole set-up was planned by people in the government—

An hon. Member: Under the table.

Mr. Caouette: —under the table to be sure, between government people and labour leaders. This business was planned behind the backs of the national railway employees. There is a limit to playing behind these people's backs.

Mr. Chairman, I understand that we will later have the occasion to debate these amendments. We will wait until clause 6

comes up for consideration. Everyone now seems to agree that the 18 per cent increase should be accepted and hopes that all workers will go back to work tomorrow morning. We will debate another clause dealing with compulsory arbitration, and we will undoubtedly refer back to it before the end of today's sitting.

Mr. Chairman, these were the remarks I had to make concerning suggestions being made at present by the Minister of Labour and I feel we are laughing at railway workers in Canada.

• (11:20 p.m.)

[*English*]

The Deputy Chairman: The hon. member for Medicine Hat.

Mr. Olson: Mr. Chairman, I understand we now are proceeding by agreement to provide the minister and others an opportunity to indicate what amendments they intend to introduce in the course of studying this bill clause by clause. My purpose in rising now is to make the suggestion to the minister that perhaps there are some defects in the amendment he suggested to clause 6, and also to inform him that I have before me an amendment in both English and French, saying essentially the same thing, which was prepared last night and this morning. I think this amendment takes care of the defects. The reason I bring this up now is that I should like to send it over to the minister after explaining the defects and what I think will improve some of the defects in his amendment. I should like to send this over to him for his consideration between now and the time when he will move his amendment when we reach clause 6.

If I understand the minister correctly, he suggested that in line 29 of clause 6 he would add the 4 per cent effective January 1, 1967 and the 6 per cent effective July 1, 1967. Mr. Chairman, I wish to suggest to the minister and the Prime Minister, the sponsors of this bill, that at the present time the wording above the two subclauses says that "the conditions of each collective agreement to which this act applies are amended forthwith." In other words, if he adds those other two raises in 1967 to what already is written there, it does in fact amend forthwith the collective agreements which are defined as the collective agreements which expire on December 21, 1965. I do not believe that was the intent of what the minister wished to say. I believe in his explanation he suggested he wanted a minimum guarantee of retroactive pay for 1966, which was already in the clause, and that he wanted the minimum guarantee for 1967 but did not want it limited to that.

I suggest that if it is amended forthwith as the clause now says, then of course it becomes a part of the law and is amended. I suggest also the clause should be amended to state that it is a minimum, and that is all—in other words, that the increase shall be no less. I know it could be argued that that was what the minister intended in his amendment, but I think there still could be some confusion. Perhaps the mediator and arbitration board would have some difficulty if there was a subsequent amendment, because it says "forthwith".

Therefore, to get around this problem, so that the railway workers across Canada will know that this is intended as a floor, and a floor only, clause 6 should be amended by adding the following new subclause, and of course it would be called subclause (2):

(2) the terms and conditions of any amendment or revision of the collective agreements to which this act applies, determined under the provisions of Sections 8, 9 and 10 of this Act shall provide at least—

And the reason I mention those three sections is that section 8 deals with the requirements that there shall be further negotiation; section 9 deals with the appointment of a mediator and the powers of that mediator, and section 10 deals with the appointment of an arbitration board in the event that no agreement is reached under the provisions of 8 and 9.

I continue:

—an increase to each rate of wages in effect on December 31, 1965, established by or pursuant to the agreement in case of an agreement binding or entered into on behalf of non-operating employees, of not less than 4 per cent, effective January 1, 1967, and of not less than an additional 6 per cent, effective July 1, 1967.

That wording is necessary for a number of reasons, but it is a repetition of the wording used in the present clause 6(a). I discussed this matter with the law officers of this house earlier today, and other legal authorities who are familiar with railway legislation. They advised me that an additional clause, the same as in the two paragraphs in the first part of clause 6, is necessary to provide for what is referred to as operating employees. The reason is that one says "each rate of wages" and the other says "each basic daily

rate". There is an important difference between those in the existing collective agreements and the ones which did expire on December 31, 1965.

Therefore, Mr. Chairman, in the hope that I may be helpful to the minister, I should like to send that proposed amendment, both in English and in French, to him for his consideration between now and the time he makes the motion. This might enable him to improve what he suggested he was going to do. He suggested that another substantial amendment is required in the preamble. I believe it is necessary and I take no exception to the proposal he made.

The Deputy Chairman: Order. I bring to the attention of the house that there was unanimous agreement that we foresee an amendment to clause 6. May I suggest to the committee now that we continue with the consideration of clause 2.

Mr. Webb: Mr. Chairman, my remarks will be brief, I should like to bring to the attention of the minister that I have here some T-4 slips which certainly contradict much that has appeared in the press and on television. The minister may not know that in the year 1965, in August, the C.N.R. discontinued the commission to the railroad agents. Originally this commission was given as an incentive to the agent to promote and solicit business for the railroad. In August 1965 this was discontinued. As a result of this many of our agents on the C.N.R. today are receiving less wages now than they did in the year 1964. I should like the minister to look into this.

Clause agreed to.

On clause 3—*railway services to be resumed*

Mr. Cowan: Mr. Chairman, we now are discussing clause 3 of the bill and I have some comments I wish to make. This afternoon I voted against the amendment, and I voted in favour of the motion for second reading of the bill this evening. I cast my votes on both occasions with the firm intention to speak on clause 3 when we reached our consideration of it in the committee stage. I should like to ask the ministry to consider deleting from clause 3 the words following the word "existing", namely, "and employees now on strike shall resume the duties of their employment with the railway companies". Those words mean but one thing and I do not believe they should be left in an act passed by this parliament. Those words mean in

effect forced labour or slavery. I for one cannot support clause 3 in its present form. I believe the purposes of this clause can be achieved even when those words are eliminated. By their deletion the clause would then read:

• (11:30 p.m.)

> Forthwith upon the coming into force of this act, every railway company shall resume operation of the railway and subsidiary services the operation of which is suspended by reason of the strike now existing.

There has been a lot of purple prose thrown around this chamber to the effect that when this bill becomes law it is likely the labour unions will not observe it. Some have said that anyone who makes reference to that suggestion is inciting people to break the law. I do not believe for one moment that if the labour unions refuse to observe this act in its present form they would be anarchists. I believe they would be sensible and intelligent men deciding they would not work under terms presented to them by the railways by whom they were formerly employed. Surely these men have the right to choose their employers in this country of ours. I cannot support that clause which states in part that employees now on strike shall resume their duties. Who in this case is forcing whom to work?

Today I was doing some research regarding this situation and I was enheartened by something I found that was said on August 30, 1960, 16 years ago by Hon. David Croll, a former member of this house representing the riding of Spadina, Toronto. It is disturbing to me as a Liberal member to read a record of 16 years ago and find that what we will be doing by adopting this clause is following a precedent. We find that this was done 16 years ago by a former Liberal government. Surely what was done then was a precedent which we are now asked to follow.

Hon. Mr. Croll stated on August 30, 1950, as recorded at page 39 of *Hansard* of that date:

> Speaking in this house yesterday the Prime Minister (Mr. St. Laurent) was careful to make it very clear that this bill is not to be considered a precedent; . . .
>
> To me those are very comforting words; yet in principle I consider this a dangerous bill, less because of what it attempts to do now than because of what in other hands it might be made to do hereafter.

Hon. David Croll, as it turned out, was quite a prophet.

I was in Saint John, New Brunswick, during the past week end and I found a

Canadian Press dispatch from Corner Brook, Newfoundland, in the Saint John *Evening Times-Globe* of Saturday, August 27 which read as follows:

Premier Smallwood went on television here Friday night to explain why the government has not granted recommended pay increases to 90 non-professional workers at Western Memorial Hospital as the workers voted to strike in defiance of a government statement that such action would be illegal.

They passed another resolution "that Premier Smallwood be condemned for refusing to grant recommended wages to hospital employees and also for threatening to enact legislation to outlaw all hospital strikes in Newfoundland.

Mr. Smallwood, in his television address, said the government would have to approve wage increases to a total of 38 other hospitals in the province similar to those being asked by Western Memorial employees if these were granted.

A conciliation board June 14 recommended increases ranging from 5 to 25 per cent for the employees. The union at first had asked increases up to 50 per cent but reduced its demands and approved the conciliation board report, also agreed to by the hospital's board of directors.

. . . the government invoked a section of the Labour Act to declare "an emergency in respect to Western Memorial Hospital."

A proclamation made public while the union was making final plans for the strike Wednesday night said "any strike or lock-out or other action in the dispute" would be illegal and compulsory arbitration was being imposed.

As Mr. Croll said 16 years ago yesterday:

—in principle I consider this a dangerous bill, less because of what it attempts to do now than because of what in other hands it might be made to do hereafter.

I have given you a current example as to what is being done in other parts of this country. I should not like to see this federal government establish a precedent, even though in 1950 Mr. St. Laurent said that what was being done then would not be a precedent. In 1966 we are repeating what was done at that time. Men are being told that they shall resume the duties of their employment with the railway companies. Where is there a distinction in this regard, when we are telling men that they will resume work at their occupations as was done in 1950?

I have in my hand an interesting book I obtained from the parliamentary library entitled "The Slave in Canada" written by Hon. Renwick Riddell, a justice of the Supreme Court of Ontario. At pages 56, 57 and 58 one will find that the honourable justice pointed out that in 1793 a bill to abolish slavery was introduced in Upper Canada, and Upper Canada today is Ontario. Slavery was abolished by an act passed on July 9, 1793, and there is an interesting paragraph in the preamble of that act which states:

No . . . person who shall come or be brought into this province . . . shall be subject to the condition of a slave or to bounden involuntary service.

We now have a Liberal ministry which suggests by clause 3 of this bill that employees now on strike shall resume the duties of their employment with these railway companies. What will happen if these employees decide they do not want to resume their duties with these railway companies? Are they to be called anarchists? In my opinion they are exercising the very proper right to make a decision as to whom their employers shall be. God grant them the ability to make a proper choice in this matter.

Since the Minister of Labour has been good enough to indicate in advance certain proposed changes that he will make I suggest that it would be very easy for the ministry to delete from clause 3 the following words:

—and employees now on strike shall resume the duties of their employment with the railway companies.

If we force the railway companies to resume operations and they do not obey, we can impose penalties. Not one railway company in this country operates without one or more charter or licence authorized by this parliament. Penalties can be invoked against the railway companies. On the other hand, if railway companies announce their intention to resume operations and striking employees do not report for work, surely that is a choice on the part of the employees who may be faced with sacrificing their pension rights, severance pay and other benefits. I see no point in keeping in this clause the words:

—and employees now on strike shall resume the duties of their employment with the railway companies.

• (11:40 p.m.)

The *Telegraph-Journal* of Saint John, New Brunswick, on Friday, August 26, the date the strike took effect at noon hour, carried an editorial parts of which I should like to read. The editorial has a bearing on the point "shall resume the duties of their employment." The *Telegraph-Journal* says:

The union members can argue their legal right to strike, but as Canadians they have no moral right to disregard the consequences to the nation. They have no right to price fellow Canadians out of world markets and, inevitably, themselves out of jobs.

If a worker wants to price himself out of a job, that is his choice. It is not up to the

Saint John *Telegraph-Journal* to rule on that point for him. The editorial continues:

> They have no right to seriously impair or destroy the earning capacity of innocent people whose livelihood depends so completely on rail transportation. They have no right to deprive sections of Canada of a vital link—and no section will be harder hit than the already struggling Atlantic provinces. They have no such rights.

In the name of heaven, does the economy of Canada depend upon driving the noses of railroaders into the dirt and telling them they have no rights, that they are second-class citizens? They have the same rights as every other Canadian and those rights should be guaranteed them. I do not want to see a slavery clause imposed on them such as "and employees now on strike shall resume the duties of their employment with the railway companies."

I do not wish to prolong the debate, Mr. Chairman, but I shall refer to this question again when we come to discuss the preamble of the bill, at which time I understand we will have an opportunity to speak a second time. I would simply ask the ministry to delete those final words of clause 3 and bear in mind that when the time and labour of one person are, by any means not purely voluntary, the property of another, the former is a slave and the latter is a master; and and I do not want to see parliament in the guise of a slavemaster.

Mr. Nicholson: Mr. Chairman, I want to assure the hon. member that the point he has raised was carefully considered by the government and the law officers who advised us in this matter before the clause was finalized. I realize the significance of the hon. gentleman's remarks with regard to similar legislation passed in 1950, but I would point out that if this clause is accepted by parliament it will direct the railway companies to resume operations, and our problem was and is, how can the companies resume operations if the employees now on strike do not resume their duties? The one thing goes with the other.

In addition I would draw to the attention of the hon. gentleman—and I only do this to emphasize and bring home my point—that in clause 4 of the bill certain obligations are placed upon the companies. They are not allowed to refuse people who want to resume their duties after having gone on strike. If the legislation does not provide that they shall resume their duties, you are in trouble because the companies are ordered to do something and they would have no men to operate their railways. This matter was considered by parliament in 1950. In that case—and I have read and re-read the section many times—every employee who was on strike was to return to the duties of his employment. The wording of the section was "shall return to the duties of employment." We believe that the word "resume" is preferable with regard to returning to duties. I might also point out that the government in power in 1958, when the return to work legislation was passed with regard to the British Columbia ferries, also used the expression that the company "shall resume operation and the employees on strike shall return to their duties."

Mr. Ricard: They could not operate otherwise.

Mr. Nicholson: Yes. Hon. gentlemen opposite unanimously accepted that wording in 1958 and several of them are still in the house. I would assure the hon. gentleman that we are making no attempt to return to slavery. All we are trying to do is to introduce workable legislation.

Mr. Leboe: Mr. Chairman, I would ask the minister whether he has taken into consideration the fact that a man could return to his place of employment and immediately tender his resignation. This would have the same effect as if we made the correction proposed by the hon. gentleman; they could return to work and then quit.

Mr. Peters: Mr. Chairman, this, of course, is probably the most important clause in the bill because, although I do not go as far as the hon. member, it makes it necessary for the company to resume operations. Then, of course, the terms of the Criminal Code will apply if the workers do not return to work. I believe this is where the difficulty has arisen with the government. As my colleague the hon. member for Winnipeg North said, we may on a temporary basis have stopped this strike by legislation but we have not really solved the problem facing those in the labour movement, particularly those employed on the railways who have been faced since 1950 with no negotiations and government intervention.

I think the government will have to do many other things. I am very pleased they made the change but I regret that they did not do it several days ago. If they had many of the things that have been said would not have been said and the terms of the Munroe report would have been adopted, including

such things as the recommendations in respect of automation which is a matter that is plaguing many workers on the railroads.

The minister has not dealt with this point, but one of the unions involved, namely, the Brotherhood of Railroad Trainmen, has not asked for a specific wage increase but has concentrated on the other problems affecting the workers in the union. These problems have arisen over a period of time and have resulted in a lessening of morale to the point where morale on most of the railways just does not exist. This is a responsibility of government and is something they will have to think about.

This legislation is a solution for today only. I believe the government will have to do many other things. You may impose compulsory arbitration and say that a man will work for such and such a wage, but you will find a deterioration in the work performed by the employees to the extent that the railways will not be operating with any degree of efficiency. This, of course, will once more result in wildcatting and many other things that take place on the railways.

I think the government has some assurance now that a legitimate effort will be made by the union leaders to get the workers to return to work. I think it would have been idiotic if the union leaders had gone to their membership and said "We ask you to return to work", when by law they would have to say, "Our obligation under the law is that we must tell you the terms of the act, which are that the government now demands that you go back to work." In my opinion this would have resulted in a very serious situation.

If the government thinks that the amount of money they are recommending, which I think is pitifully low for all railroaders, will solve the problem, they are wrong. I believe that if the government wanted to be at all reasonable they would have immediately implemented some of the recommendations contained in the Freedman report in order to solve some of the major problems of automation and the effect it is having upon the operation of the railroads.

In my own area, for instance, the Ontario Northland Railway operates. I fail to understand how this railway comes under the bill before us because it is owned by the provincial government. The employees do not pay unemployment insurance because they are pseudo civil servants. Yet they also come under this legislation. It is interesting to note that automation on that railway in the last ten years has caused a reduction from 10 or 11 freight crews down to 5. It is true that some of the workers on that railway make $6,000 to $7,000. I asked one of them what his basic rate was. To use an example, in my area a brakeman running from Englehart to Cochrane, 112 miles, gets $16.17 for that trip. At the other end he lays over for 9 hours.

The hon. member for Mégantic (Mr. Langlois) mentioned the conditions of work of these people. I will not go into that again but let me say that the cabooses on those trains are 50 years out of date and the working conditions are atrocious. The workmen have to cook their own meals on a coal fire or else go downtown to eat. They get no allowance except that which is granted to them in the revenue exemption under the Income Tax Act. The workmen on that railway lay over in Cochrane, make their return run in 8 hours and 58 minutes and are away from home for 27 hours altogether for which they receive the grand sum of $32.34. This amounts to considerably less than $1.50 an hour, not counting the lay-over time.

• (11:50 p.m.)

Of course the workmen will not be paid for the lay-over time and unless they have a girl friend or some other attraction the time is lost to them and the money they get for this trip amounts to only $1.80 an hour. Most people do not know that railroaders on the Ontario Northland Railway may be in some ways better off than those working on the Canadian National Railways, because their maximum runs in most cases are 4,000 miles or 40 days at 8 hours a day. For those 4,000 miles, which of course are not guaranteed, they will make the magnificent sum of $577.60. I grant you that if they work on extra shift, provided that is possible, or if they stop longer than the average which is 12½ miles on through freights per hour, they get additional pay, but there are few people working in any industry in Canada that get less than $1.80 an hour. The railroaders may have two occupations on their job and their productivity has allowed that railway to reduce their freight crews from the 11 of 10 years ago to five now.

I think, Mr. Chairman, that if this government is really interested in railroading they will have to give consideration to many of the problems that are facing the railways. The problem is not only restricted to wages because, as I have already said, one of the major unions did not ask for any specific

increase in wages but for a settlement of other matters.

Under this clause the government is asking the workers to go back to work, but in return they must give the workers an assurance that some of the problems facing them will be dealt with by the government. One of the things we should consider very shortly is the nationalization of the Canadian Pacific Railway and, even more important, the situtation of the Canadian National Railway. We owe so much money on the C.N.R. that if I owed that much on my automobile I would give it back to the finance company and start all over again. We have a debt that we do not always pay, let alone paying anything on the principal. I think we will have to decide which of the two railways operating side by side we want in the national interest.

I think the Prime Minister is familiar enough with the problems of the railways in his area to know that it is not the increase in wages that will count today but the cost of living now and in the future. If the worker buys a two-year contract he knows full well that he will receive over a two-year period not 18 per cent but 10.5 per cent and his cost of living can only rise in that period of time. He should therefore be granted an escalator clause based on the cost of living which will at least allow him to maintain what the government is willing to provide.

I do not think the railroader is a slave because he can always quit his job, and I have talked to many who have said they are ready to do so. However, what the government perhaps fails to realize is that many of the railroaders today are young and have no seniority.

While travelling on a passenger train not long ago I was surprised to find that the conductor had a great deal of difficulty in telling what the next station was going to be. He told me he had been an employee of the C.N.R. for only six weeks. The job of conductor on a passenger train was the lowest grade they could give him. My colleague says he might have learned the stations but maybe he was so busy making change and selling tickets that he was confused about what he was doing.

As a trade unionist, Mr. Chairman, I am as opposed to this clause as I am to compulsory arbitration because both carry an implication that negotiations are not possible, that they will not be engaged in and that the government has no interest in them. The Ontario Northland could solve this very easily by making the railroad workers in Ontario full-fledged civil servants. I do not know what they will do about the Nipissing Central which operates in Rouyn and Noranda. Maybe my colleagues from that part of the country would consider that aspect. We are almost reaching the stage at which the railroad worker is becoming a civil servant. For the past 16 years we have been negotiating for him by legislation and therefore I think the government will have to consider these matters seriously. They would meet with a great deal of sympathy on the part of the workers if they were able to give some indication as to what they intend to do in respect of the cost of living as it affects these workers as well as by stating their position regarding some of the problems of automation that are particular to that industry and that are causing a great deal of concern.

The railways, Mr. Chairman, do not seem to care. In spite of the fact that the Ontario Northland has half the freight crews it once had it is handling more freight than it has ever handled before. It is interesting to note that although the supervisory positions on the Ontario Northland Railway have increased three to four times—there are more chiefs than Indians—this situation is not unique in the case of that railway and is even more acute on the C.N.R. This is bad for morale and bad for the operation of the railway. The unnecessary increase in bureaucracy that is inevitably taking place is the responsibility of the government and should be seriously considered.

• (12 midnight)

I do not want to take up any more time except to say that I think the government is not fulfilling its role by simply intervening in this dispute. I believe that if the government is to play a role in this field it will have to give consideration to the various problems on which the railway workers cannot negotiate. I am afraid that if the government does not do this the situation will become chaotic. The government should face the problems that the railway workers have and which the leaders of the railway workers have particularly. For the first time the leaders are finding the workers breathing down their necks. The young workers on the railroads have no respect for most of their leaders and no understanding whatever of the problems faced by their leaders in negotiations or by those in responsible positions in the company or in government in this instance.

There is going to be considerable chaos in these unions. The Minister of Citizenship and Immigration is well aware of this problem and could give the government a great deal of advice upon it because he to a great degree helped to develop it. It is a problem that has reached very serious proportions and one which the government is going to have to consider. If they are not willing to make further concessions, and I do not suggest that those concessions be all in this bill, then we will be faced with a serious problem. The government ought to have a committee of this house, either the labour committee or the transport committee, consider some long-range solutions to the problems facing railway workers as well as the railways themselves.

If the government is not willing to consider this matter in committee, where there is time to call witnesses and hear representations, then it is my opinion they are going to be faced with this same problem every four or five years. The government has to face the problem because the workers are not able to negotiate with the companies through their bargaining agents. The companies can hide behind a façade by saying that the government is regulating their revenues and therefore they are not free agents. I do not know whether the government is prepared to do this. I strongly urge the Prime Minister, who is aware of the problem now having talked to the unions and the companies, that he showed give serious consideration to going into each section of the problems affecting transport workers in this country. A detailed study of the whole matter could be made in a committee. I hope he does consider this matter of including an escalator clause based on the cost of living so that the workers will be guaranteed the wage increase that the government has seen fit now to recommend.

Mr. Knowles: I wonder, Mr. Chairman, if I could ask the government house leader if the time has come, as he indicated earlier today, when we might look at the clock and assess the situation? I believe this afternoon, when the house agreed to sit beyond six o'clock, questions were asked as to how long it would be. I believe the government house leader said that at midnight he would be glad to look at the clock and assess the situation. I wonder if it would not make good sense, in view of the progress we have made, to adjourn until some time later this day?

Some hon. Members: Agreed.

Some hon. Members: Carry on.

Mr. McIlraith: When I made the motion at the opening of proceedings today for the house to continue sitting after 6 p.m. a question was raised and I expressed what seems to have been a forlorn hope that the bill would be through all stages before midnight. I did undertake in specific language, however, that I would consider a cut-off hour at a later time. Unfortunately, we only seem to have passed one clause, the interpretation clause. I wonder if the house would be willing to complete the discussion of clause 3? Perhaps an order could then be made concerning the sitting tomorrow, say at ten o'clock in the morning. Perhaps we could then continue to sit until we have completed all stages of the bill. Perhaps we could rise in a few minutes when we have completed this clause.

Some hon. Members: Carry on.

Mr. McIlraith: I should like to get the sense of the house on that point before making a decision.

Mr. Starr: Yes, we would agree to that.

Mr. Douglas: I think the suggestion of the minister is an admirable one but I understood clause 3 had been passed, Mr. Chairman. If clause 3 has not passed, then we have to wrestle with that clause. However, when we get to clause 6, which is fairly complicated and about which there are many technical questions—

Some hon. Members: Oh, oh.

Mr. Douglas: Some members who are shouting have not even read the bill and do not understand what is in it. I want to suggest that three or four o'clock in the morning is not the time for careful examination of legislation as important as this. I think the minister's suggestion of adjourning now and reassembling at ten o'clock in the morning makes sense. We could consider this matter properly tomorrow. My experience has been that the longer the hours the shorter the tempers, and we are not going to make much progress.

Mr. Thompson: We would like to carry on and go through with this. This is an emergency with which we are dealing. Six weeks ago I spent several days in the British parliament and for two of the three days they sat until

the early hours of the next morning considering issues that were not as serious as this. I do not see why we cannot continue.

Mr. Nicholson: Clauses 3, 4 and 5 are tied together. Clause 6, however, is related to a different matter, as has been mentioned by the hon. member for Burnaby-Coquitlam. The hon. member for Medicine Hat suggested a short time ago an amendment to clause 6 which must be carefully considered. I have been trying to follow the debate but I cannot consider the merits or otherwise of his suggestions having been able to give them only a cursory glance. They should be considered and discussed with my colleagues. If we could deal with clauses 3, 4 and 5 tonight, then surely we could adjourn until ten o'clock tomorrow morning.

Some hon. Members: Agreed.

Mr. McIlraith: Do I understand it is agreed that we continue until we have considered clauses 3, 4 and 5 and that at that time we will rise and report progress and have an order made by the house that we meet tomorrow at ten o'clock and continue through?

Some hon. Members: Agreed.

Mr. Cowan: I do not wish to engage in any cross-fire with the Minister of Labour but he made some comments after my previous remarks to which I should like to refer.

An hon. Member: On what clause?

Mr. Cowan: Clause 3.

An hon. Member: Clause 3 has been carried.

• (12:10 a.m.)

Mr. Cowan: It has not. I point out that in making his remarks the minister stated that in 1950 there was a similar clause in the act, and I was well aware of that. I have read the clause several times. Did the minister not read Prime Minister St. Laurent's statement that 1950 was not to be taken as a precedent? I do not believe that changing the word "return" to "resume" has eliminated the fact that 1950 is being taken as a precedent. I also point out that I do not agree that two wrongs make a right. I was not in this house in 1950 but I can assure you that, had I been, I would have taken the stand of Hon. David Croll on this matter now under discussion. Since two wrongs do not make a right, I would ask that we do the right thing in 1966 and that we do not forget the fact that we are making a precedent out of an act which Mr. St. Laurent said was not to be taken as a precedent.

In addition, the minister points out that this clause is similar to one brought in in 1958. This is about the fourth time I have been told by members of the Liberal cabinet that they are doing something which is exactly the same as was done by the previous government. I ran in 1962 against the government of the day because I did not agree with its policies and I thought that the Liberals could do a better job. I ran against the same government in 1963 because I thought we could do a better job. There are quite a few Liberal members of this house who are getting fed up with hearing Liberal cabinet ministers tell us that this is just the way the previous government did things. Then why did we oppose them?

Mr. Grafftey: What is he like in caucus?

Mr. Cowan: May I point out to you, Mr. Chairman, that Hon. David Croll said, as found on page 41 of *Hansard* for August 30, 1950:

> Compulsion never removes the cause of the strife. Forced obedience against the will of those concerned sows the seeds of bitterness and resentment and in the end aggravates the very condition it was sought to cure.

I say to you, as members of the ministry, that it would be best to eliminate the words "employees now on strike shall resume the duties of their employment with the railway companies". Clause 4 will not need to be altered in any way and we will get rid of this forced labour or slavery clause. It does not affect clause 5. I sincerely ask the ministry to eliminate those words that will cause concern to the men now on strike, because I do not believe that that concern should be caused them.

The question has been asked by the Minister of Labour: What will happen if the men do not return to work? I could name a score of industries where the workers are on strike but which are still in business. They have engaged other employees. Are we going to force these men back to work because, when the railways announce that they are open for business, the men on strike may not go rushing back to the gates? I am opposed to compulsory labour.

Clause agreed to.

Clauses 4 and 5 agreed to.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I should like to have it recorded as an order of the house that we sit tomorrow—

An hon. Member: Today.

Mr. McIlraith: —at ten o'clock a.m. and continue to sit until Bill C-230 has been completed through all stages.

Mr. Deputy Speaker: Order, please. Does the house agree that it will meet again at ten o'clock—

An hon. Member: On Thursday, September 1.

Mr. Deputy Speaker: —on Thursday morning and continue until the bill has been completed?

Some hon. Members: Agreed.

Mr. Starr: What is the business for tomorrow?

Mr. McIlraith: Mr. Speaker, I understand that under standing order 6 we require a motion to adjourn the house now. I move, therefore, that the house do now adjourn.

Motion agreed to and the house adjourned at 12.15 a.m.

HOUSE OF COMMONS

Thursday, September 1, 1966

The house met at 10 a.m.

CANADIAN CENTENNIAL

TABLING OF REGULATIONS RESPECTING GRANTS TO AUTHORS AND ASSOCIATIONS

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, yesterday one of the hon. members from Edmonton asked if I would table in the house the regulations which have been issued by the centennial commission with respect to grants to authors and associations, and I indicated I would be glad to do so provided it was in compliance with the rules of the house. By consent I am now proposing to table, in English and French, copies of the brochure on the grants program containing those regulations.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

COMMONWEALTH RELATIONS

MATTERS TO BE DISCUSSED AT FORTHCOMING CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. Is he in a position at the moment to express a view as to the general attitude that Canada, as represented by him, will take at the forthcoming Commonwealth conference of prime ministers? I am not asking him for a particularization but for an assurance so there will be no misunderstanding that, as far as Canada is concerned, there will be no resort to force, participated in by Canada, in respect of the Rhodesian situation.

We have not been able to get a definite statement in that regard and it is an assurance that I hope the Prime Minister will be able to give. At the same time, may I again suggest to him that he advise us that he will represent Canada at that conference. I think it is most necessary that the Prime Minister be there. If there is anything we can do so that he or the government will not be prejudiced by his absence, we shall do it. I want to see the Prime Minister at that conference.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think the most important thing that could be done to make it possible for me to go to the conference would be to get the railway strike bill disposed of in the house as quickly as possible so that the national emergency might, we hope, be resolved without delay. On that point perhaps the right hon. gentleman would permit me to postpone the statement that he has understandably requested until tomorrow at the opening of the house, when perhaps I could say something.

In the meantime today I think we should carry on with the railway legislation. That will give me a few hours to make sure of what I can say on the eve of such a very important conference, especially in regard to the use of force, on which we have already stated our views.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister has said he would like to wait until tomorrow, and that is fine.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on behalf of our party I wish to say that we certainly hope it will be possible to conduct the business of the house so the Prime Minister can represent Canada at the Commonwealth conference. I think it is extremely important that he be there with his long experience in international affairs and with the very considerable prestige which he carries in Commonwealth circles.

I should like to ask the Prime Minister whether in making his statement tomorrow it would be possible for him to indicate whether Canada would support the idea of having sanctions imposed by the United Nations under the aegis of the UN charter, in the event the Commonwealth prime ministers become convinced that the type of sanctions now being imposed have proven, and may continue to prove, ineffective.

Mr. Pearson: Mr. Speaker, in a statement of this kind I would wish to include all relevant pieces of information; I would like to tell the house everything I possibly could about the economic aspects of this problem which is so important. Having regard to the fact that we are on the eve of a conference, the position of the commonwealth nations at

that conference will have to be worked out in the light of the decisions taken by them there. My hon. friend knows that the adoption of a rigid position before a conference sometimes is a handicap in obtaining agreement.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a supplementary question for the Prime Minister. I also hope that the Prime Minister will be able to attend the commonwealth conference, in the interest of the country, of the commonwealth and of all member countries.

I believe the question of inflation will be discussed during that conference since inflation is rampant in Great Britain, as well as other commonwealth countries. The same situation prevails here in Canada.

Now, can the Prime Minister tell the house whether he intends to suggest, during the discussions, a comprehensive review of the financial system, which seems unsuitable in the circumstances?

[*English*]

Mr. Pearson: Mr. Speaker, I would think this is a subject which will not be on the agenda at this conference. It may come up, however, in discussions among the delegates from the countries all of whom are concerned with and affected by this problem. But there is a meeting of the International Monetary Fund in September and that specifically, definitely and importantly is on the agenda. All the countries will be represented at that conference by their ministers of finance.

[*Later:*]

[*Translation*]

Mr. Caouette: Mr. Speaker, I wish to put a question to the Minister of Finance and Receiver General of Canada.

In view of the statement by the Prime Minister, a while ago, that a meeting of the members of the monetary fund will be held in a few weeks, is it the intention of the minister to include among the delegates to this important meeting, an exponent of the Social Credit doctrine.

[*English*]

Mr. Speaker: Order, please.

[Mr. Pearson.]

LABOUR RELATIONS

RAILWAY STRIKE—UNION POSITION RESPECTING AMENDED LEGISLATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I shoud like to address another question to the Prime Minister. In view of the acceptance last evening of the amendment to the railway bill which is now before the house, is the Prime Minister in a position to say whether the union leaders will also accept that? Is there any assurance that if parliament passes the bill there will be no question of general civil refusal to accept it?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I cannot speak for the union leaders or all the people of Canada, but I have confidence in the law abiding character of the Canadian population. I also have confidence that the union leaders will discharge the duties imposed on them in this bill, if and when it becomes law.

UNITED NATIONS

REPORTED INTENTION OF SECRETARY GENERAL TO RELINQUISH OFFICE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the imminent expiration of the term of the secretary general of the United Nations and the reports that he will step down, I wonder whether the minister or the government has approached U Thant with the thought in mind that he should carry on. Have the government or the Secretary of State for External Affairs used their influence in an attempt to convince U Thant that he should remain in office?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the secretary general is to make a statement some time this morning about his intentions. The government, through the Prime Minister and through myself as Secretary of State for External Affairs, has urged the secretary general to carry on in his post. There is widespread support throughout the United Nations for his continuation in that difficult and important task. I think I reflect the views of all members of this house and of the people of the country generally when I say that I sincerely hope his statement this morning will not close the door on the possibility

of urging him to continue the difficult and responsible job that is his. U Thant has won the confidence of the people of the world, and this occasion affords us the opportunity of confirming our view in this regard.

NATURAL GAS

REQUEST FOR STATEMENT ON PIPE LINE DECISION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a question to the Prime Minister in the absence of the Minister of Mines and Technical Surveys, and in view of previous answers to the hon. member for Medicine Hat and myself. Because of the special legislation now before the house I am not asking that the minister make a statement now, but at an appropriate time will he make a statement as to why the pipe line route from western Canada to points in eastern Canada and the United States was vetoed by the government?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, a statement of that kind was made when the decision was taken and made public. I will be glad to table that statement in the House of Commons. No doubt there will be an opportunity to debate and discuss this matter at a later date.

WATER RESOURCES

BRITISH COLUMBIA—DOWNSTREAM BENEFITS FROM ADDITIONAL STORAGE ON KOOTENAY LAKE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the honourable and gallant Secretary of State for External Affairs. In view of the International Joint Commission's order of approval for an additional two feet of storage on Kootenay lake, primarily to meet the needs of the Kaiser Aluminum Company in the United States via Cominco, did the Canadian government assert its rights to the additional downstream benefits that will result from this storage and, if not, why not?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I will take notice of the question put to me by the gallant and chivalrous gentleman.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO INTENTION OF GOVERNMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the questions being asked and the concern being expressed is the Prime Minister now in a position to reaffirm the government's intention to have medicare in effect by July 1, 1967?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as soon as we complete consideration of the railway legislation it is my intention to make a statement in the house about the priority attached to the other pieces of legislation to be dealt with during this part of the session. The medicare legislation will be included in that list.

PENITENTIARIES

SUGGESTED POSTPONEMENT OF CONSTRUCTION UNTIL JOINT COMMITTEE REPORT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Solicitor General. Is it the intention of the minister and his department to call for any further tenders for the construction of minimum, medium and maximum security prisons before the joint committee of the House of Commons and the Senate can report on this matter, having regard to its terms of reference as authorized by both houses?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, it may be necessary to proceed with some of the steps outlined for the ten year plan. But it will be up to the committee to study these plans and report back to the house. At that time the recommendations of the committee will be taken into consideration.

Mr. Winch: Mr. Speaker, may I ask a supplementary question. The minister said it may be necessary to proceed with some plans. He has given a paradoxical answer in that some plans may be proceeded with but the committee will make a study and a report. Will the report be considered before plans are carried out?

Mr. Pennell: I am not in a position to give that undertaking, Mr. Speaker. The medium security design has received almost universal

approval from all enlightened groups in this field. In my respectful judgment it would be a mistake to withhold proceeding on the ten year plan in so far as this design is concerned.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—EXTENSION OF TELEVISION SERVICE IN CHIBOUGAMAU REGION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Secretary of State.

In view of the fact that a certain number of people will be able to receive colour television broadcast to-day, is the Secretary of State in a position to tell us whether the residents of the towns of Chibougamau and Chapais will at least be given the privilege of receiving without costs black and white broadcasts?

Mr. Speaker: Order. It seems to me that this question is not of extreme urgency in the present circumstances.

[*English*]

TRADE

REQUEST FOR PROTECTION AGAINST FALSE ADVERTISING

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to address my question to the President of the Privy Council and ask whether the government has received a request from the Retail Merchants Association of Canada "seeking tougher federal . . . laws to shield the public from false and misleading advertising," as reported in the *Globe and Mail* of August 30. If such a request has been received, what action will be taken?

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, may I take notice of this question and answer it tomorrow morning?

CANADIAN NATIONAL RAILWAYS

REQUEST FOR INCREASED PENSIONS FOR RETIRED EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the action that the government and parliament are taking regarding the wages of railway workers, will the government now reconsider the matter of improving the pensions of retired C.N.R. employees?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, that is not a matter that by any stretch of the responsibilities of the Minister of Transport would come within his jurisdiction, but I will bring the matter to the attention of my colleagues at the first opportunity.

Mr. Knowles: Would the minister also telephone Mr. Donald Gordon?

Mr. Pickersgill: I think it is quite probable that Mr. Gordon will get the message without the necessity of any telephoning on my part.

DOMINION-PROVINCIAL RELATIONS

POSSIBLE ALTERATION OF FEDERAL EQUALIZATION PAYMENT FORMULA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether, following the meeting he had with Premier Thatcher of Saskatchewan regarding the possibility of salvaging part of the $35 million that Saskatchewan stands to lose under the new federal equalization payment formula, the government has given any consideration to alterations in that formula as projected; and did the minister say, as reported by Mr. Thatcher, that he would do his best to put the position of the government of Saskatchewan before his colleagues? Has the minister anything to report in this connection, and in particular will he give an assurance that the government has not yet arrived at any final decision on the question of alteration of the formula for equalization payments?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I can confirm the final words of the Leader of the Opposition in part but not wholly. What we have not finally agreed upon is what proposal to place before the premiers, so it is not necessary for us to make any alterations in any formula that has been put forward. We did ask some of our officials to visit the provincial capitals and discuss with them certain principles. Out of this Mr. Thatcher drew the inference that there would be no payment to Saskatchewan, but such was never intended and I do not think the province of Saskatchewan is going to find its position so drastically altered in

any proposal that we place before the provinces.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, this is a supplementary question which I wish to direct to the Minister of Finance. In some of the tax sharing agreements there has been a provision that a province will not get less under any new formula than it enjoyed under a previous agreement. Is it the intention of the Minister of Finance to retain such a provision in the agreement which he is going to submit to the provinces?

Mr. Sharp: No, Mr. Speaker; and I would question the interpretation that the hon. member for Burnaby-Coquitlam has put on previous tax sharing agreements. However, in any event no such assurance will be given to any province. There has been a great change in the relative position of the provinces of Canada partly owing to the excellent administration of Mr. Thatcher since he came to office. There has been a great improvement in the financial position of Saskatchewan which cannot help but be reflected in the tax equalization payments.

Mr. Diefenbaker: Was it because of appreciation for the excellence of the Thatcher administration that the Prime Minister did not visit Saskatchewan on the occasion of the meeting of the Liberals of the three western provinces?

COAL

ACTION TO BE TAKEN FOLLOWING ASSISTANCE REPORT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to address my question to the Prime Minister and ask him whether the matters concerning the Nova Scotia coal industry are still under active consideration. If so, will the government announce its intentions in this respect?

Right Hon. L. B. Pearson (Prime Minister): They are under even more active consideration than when the last question was asked concerning this matter, and I have no doubt that a conclusion will be reached very shortly.

Mr. MacInnis (Cape Breton South): Mr. Speaker, possibly the Prime Minister could explain to the union, through the Minister of National Health and Welfare, what "very soon" means, since the $25 million grant was supposed to be made available last November.

Inquiries of the Ministry

FISHERIES

BRITISH COLUMBIA—DAMAGE TO SALMON SPAWNING GROUNDS BY LOG RUN

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I wish to address my question to the Minister of Fisheries. I would like to ask him whether the government of British Columbia, despite its preoccupation with another matter, since the house last sat before the recess, has clarified or revised its position on the very important matter of resource management arising from the driving of logs on the Stellako river. In any event, can the minister inform the house as to the position of this matter at the present time?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I wish to inform the hon. member that since the house recessed in July I have been in communication with the two British Columbia ministers concerned. We have decided to have a meeting in the near future at which we will discuss this matter, and I am sure we can arrive at satisfactory conclusions.

MAINTENANCE OF RAILWAY OPERATION ACT

PROVISION FOR RESUMPTION OF RAILWAY OPERATIONS AND SETTLEMENT OF LABOUR DISPUTE

The house resumed, from Wednesday August 31, consideration in committee of Bill No. C-230, to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees—Mr. Pearson—Mr. Batten in the chair.

On clause 6—*Terms of collective agreements amended.*

• (10:30 a.m.)

Mr. Nicholson: Mr. Chairman, last night I announced that when clause 6 came up for consideration I intended to move an amendment. I am sure that hon. members will understand, after the clear statement made by the minister of health and welfare and the further statement by the Minister of Citizenship and Immigration, that the intention was to implement the Munroe recommendations. I have never had any doubt in my mind, as Minister of Labour, nor have the officials of my department that in the end the 18 per cent recommended by Mr. Justice Munroe and later concurred in by another

experienced chairman, Hon. Mr. Cameron, would constitute a floor, I therefore move:

That clause 6 be amended by deleting the word "and" after the words "January 1, 1966" in line 29, page 3, and after the words "July 1, 1966", in line 30 and add, "an additional 4 per cent effective January 1, 1967, and an additional 6 per cent effective July 1, 1967."

Mr. Diefenbaker: Mr. Chairman, the Minister of Labour stated that never in his mind nor in the minds of his officials was there any doubt that the basic amount in respect of the increases recommended by Mr. Justice Munroe would be carried into effect. He added that the Minister of National Health and Welfare and the Minister of Citizenship and Immigration had spoken with such clarity that there could be no doubt. Their clarity, however, was not produced until the opposition took a forceful and definite stand on this question.

I felt rather sorry for the Minister of National Health and Welfare the other evening as he spoke on television. He produced almost—I do not know what you might call it—a magic explanation whereby 4 per cent and 4 per cent actually added up to 18 per cent. It was a remarkable example of what a man can do with figures, but nobody believed him. I do not think he believed it himself.

Last evening—and it is not for me to exacerbate the finer sensibilities of the minister—he was the picture of a person who had landed in a position that was, to say the least, uncomfortable. He was joined by the Minister of Citizenship and Immigration in a way that—well, it was an amazing performance. There they were for a moment speaking for the government, and the next moment they were flat on the floor. Even Cassius Clay never imagined knocking out two ministers within a few minutes. While yet the light holds forth to burn, the worst of sinners may return. They are lining up now, and an amendment has been moved.

How much discussion would have been saved if this government had proceeded in this way from the beginning. They did not fool anybody. They did not delude anybody. Why did they bring in the bill in the manner in which they did? The government was thinking about this and the Minister of Labour was convinced that ultimately it would be attained, but he could not have told his colleagues. He did not tell parliament. He could not, though, because he was more or less denied the opportunity as a result of his position as mediator.

[Mr. Nicholson.]

Why wasn't this done? This is exactly what was recommended by these commissions. Were the government trying, by failing to accept the Munroe recommendations, to bring about a strike? Did they hope for a strike? Well, if they did not, and I only hope they did not, they did everything they possibly could to bring it about. They could not have adopted a formula that would have been more successful to bring about a strike than they did.

Now then, this was something for which we fought, and we were ridiculed. We were called obstructionists; we were going to be responsible before the Canadian people for daring to take a stand, but we took that stand. We realize now once more the power of parliament and the power of public opinion. The government had to back down. It is not a new position for them. This is a government that has followed that course; but it is difficult to discuss questions in parliament when we are discussing matters which the government wants to change while pretending that what has been presented is the best available.

• (10:40 a.m.)

I ask the minister this. What additional plans has the government to provide the assurance or at least the hope of job security? I should like to see this bill made an effective bill that will bring the men back to work. There is no question whatever that the law of Canada must be obeyed, or we are ended as a democracy. The formula now incorporated in the amendment, however, was put before the unions and almost overwhelmingly rejected. We must not allow ourselves to be placed in the position that laws passed by parliament shall first receive the approval in anticipation of any person or group of persons. Otherwise parliament simply becomes an instrument in the hands of institutions or individuals outside of parliament.

Recognizing that as a sound principle—to do otherwise, of course, would admit that parliament is not sovereign or supreme within its jurisdiction—I would first ask the minister this question. Has he every reason to believe that if this amendment is accepted—and we press for it—it will mean the acceptance of the laws of parliament without any equivocation? That is something on which we ought to have an assurance.

The government has turned a somersault. What it tried to do was to provide this "four and four", or this 6 per cent, for the year 1966. But they did not get away with it owing

to the opposition of two parties in this house. Public opinion forced a change. Therefore, because of its material importance, I ask that parliament now be made aware of what has passed in this connection.

Second, will the government, realizing as it does that this very recommendation has been turned down, also place before us as part of this bill certain of the fringe benefits in connection with job security, recommended by the several commissions, and also the recommendations of the Freedman report which can be, in the opinion of the government, implemented?

I would think that if the government wants to bring together this nation in a dedication to unity in our industrial and national life—and in this regard there is a terrible responsibility upon us—then parliament must not produce a bill that is challenged in anticipation. I am not going into the details of what I have in mind, but I would say this. I do not like using the word "implore", but I would implore the government to offer something more than this one provision—a provision which has already been turned down—so that labour in all parts of Canada will have removed from its mind and heart the fear of a continuing reduction in jobs by reason of automation. We have to accept automation; to take any other stand is to try to hold back the advances of time.

I make this appeal not in a partisan way; I make it for the purpose of trying to do something to assure that the laws passed by parliament will be carried out. You cannot pass laws if there is a national feeling that those laws are lacking that degree of justice and equity which should characterize the laws of parliament.

I would ask the government to make a declaration in this regard. We do not want to place the parliament of Canada and the House of Commons in the position where a law fails to bring about not only support for the legislation but a feeling of amity, coupled with the desire to fully co-operate.

I believe if the government would just add the expression of a general principle regarding this important matter of job security, the matter of sickness, holidays, and so on, without going into any detail in relation thereto, this would go a long way toward placing before the Canadian people the unity which this parliament must try to achieve, the government now having finally agreed with the contentions raised by this party from the very beginning in the opening speech, the only speech made on the subject from our side. I hope, Mr. Chairman, that together we will be able to bring about a statute that will assure a degree of peace in respect of the industry to which this legislation applies, and I therefore ask the minister to give consideration to what I have said. I do not want to go into detail. I ask not for a simple declaration of hope and expectation in relation to the negotiations, but for a declaration of principle, namely that in negotiation certain general principles shall be accepted. If we are given that, then if this bill becomes law, as it is apparent it will, we will have behind it not only the prestige and power of parliament but as well the general acceptance of all Canadians, labour and non-labour alike.

• (10:50 a.m.)

Mr. Nicholson: I do not wish to embark on a contentious debate at this point but I am somewhat at a loss, because last night I understood that the hon. member for Kamloops was speaking for his party, and in the course of his remarks which appeared in *Hansard* at page 7921 he said:

> I congratulate the minister and the government for having made a sensible move with which we concur and which we have been urging for some time.

Then on page 7922 the hon. gentleman made a statement which I think is somewhat different from what the Leader of the Opposition proposed this morning. As reported in the first paragraph and subsequently on page 7922, the hon. member for Kamloops said:

> It is my understanding, Mr. Chairman, that of almost the same, if not equal concern to the employees as the matter of wages are the conditions of work or what one might call fringe benefits on the one hand and the recommendations of the Freedman report on the other. I am not suggesting for a moment, and it is not the position of this party for one second, that everything demanded by one side in the dispute has to be conceded before operations or negotiations are resumed. May I make that clear. On the other hand, I should like to make very clear that it is my view that the men who work have very legitimate and real concern in that at the moment they have no assurance that any consideration will be given, or that any bargaining in good faith will be undertaken with respect to those two very important aspects or areas of employment. What they are asking is not that parliament should write the details of a settlement into this legislation but rather that we should undertake to these men that as a condition of their resuming work the mediator will be directed, and indeed will be required, to give attention to these matters and to have the parties bargain in good faith with respect to those two areas that I have mentioned. If we could get some assurance from the minister and

the government either by way of amendment or statement as to what will be the policy that will be laid down—

and so on.

An hon. Member: That is what he said just now.

Mr. Nicholson: The hon. member for Kamloops said "or statement from the minister". Again, at page 7923—and I do not wish to become involved in an argument at this stage—I said, as reported:

I think the quickest way to answer the constructive observations made by the hon. member for Kamloops would be to refer to clause 9 of the bill which states:

1. The Minister of Labour shall appoint a mediator or mediators . . . who shall forthwith endeavour to mediate the matters in dispute—

That is, the matters in dispute in all five of these conciliation proceedings.

And I then gave the assurance which was asked for, and I thought that it was satisfactory to the right hon. gentleman.

Mr. Diefenbaker: I ask the minister this. Why not place in the bill that general principle which has been enunciated? What we say in parliament is not effective when it comes to the interpretation of statutes. I am not asking for details. I am in no way tied down to the draftsmanship of the following, but I am asking that something along these lines should be contained in the bill, something in addition to that which is presently provided. For example:

—and that part of the collective bargaining to be undertaken shall include provision for discussion and negotiation between the railways and the unions concerning work changes elimination of jobs and general working conditions which may be affected by the introduction of technological or other changes.

As I say, I am in no way tying the government or the members of this committee to the wording or to the actual changes which should be made. I am simply asking that we should say, as a principle of parliament, that these are things which we believe to be of material importance. I do this because both industry and labour would then realize that these are matters which should receive first consideration. They are the responsibility of parliament.

The minister says he accepts the general principle. He says he has given an assurance of this by his words in this house. Surely he realizes—and this is in no way critical of the minister—that when different ministers say different things it becomes important for the average person not to misinterpret one or the other. I am simply asking that the government give consideration to incorporating within the statute something along the lines I have suggested so that when this bill becomes law we shall not need to look back and see what the minister said in *Hansard* at page 7923 or whatever page it is. How ridiculous that would be. Instead, we would have in the legislation the enunciation of the principle which he supports, as he stated in the quotation he has made, as being a general principle acceptable to parliament. We would be able to say "This is the law".

As a result of our stand a change has been made from the 4 per cent and 4 per cent to the actual terms recommended by Judge Munroe. I know that something sacrosanct attaches to the words the minister may have spoken. I agree with what he said. Let us incorporate this principle in the statute so that nobody need go to the words of one minister or another to know what is to be done. In saying this I am in no way casting aspersions on the complete integrity of the minister, but the hon. gentleman cannot speak for parliament. He can only speak for himself and, we expect, for the government.

I am asking that the principle concerning which the minister was quoting himself with approval as a stand dedicated to it should be incorporated in the legislation so that it may be known to everyone in this country who looks at the statute, rather than appearing on some page in *Hansard* where a declaration of that principle is made.

Mr. Nicholson: I should like to point out to the right hon. gentleman that the legislation already provides in subsequent clauses for precisely what he has suggested. With regard to technological changes, I gave an assurance last night as reported at page 7923. I said:

With regard to the Freedman report, the committee already has the assurance given by the Prime Minister earlier this evening and when we reach the relevant clause later I am sure this matter can be cleared up.

Mr. Lewis: I rise to say a few words on the amendment which is proposed because I believe there are some matters which it would be useful to have on record.

To begin with, I wish to say we welcome the amendment the minister proposes. Like others in this committee, we were intending to move such an amendment had this not been done by the government. I welcome it, regardless of the motivation, or the occasion, for its production. But I respectfully and

urgently suggest to the government and to the Minister of Labour in particular that we are not likely to make the change any more acceptable to the workers by insisting on something which is not the case, namely by insisting that it is merely a clarification of what was already in the bill.

• (11:00 a.m.)

It is nothing of the sort unless the minister has some other amendments in mind. It is a change in the principle of the bill, and that it is a change in principle is evidenced by the statements made by the Minister of National Health and Welfare the other night and by the words used a few moments ago by the Minister of Labour. The latter explained, when the amendment was moved—and I am not a shorthand writer—that neither he nor the officers of the department had any doubt that eventually the 18 per cent would be accepted.

What the minister has in mind, and what the Minister of National Health and Welfare surely meant the other night when he said he had no doubt 18 per cent would be the ultimate basis of the settlement, was that the 18 per cent was to be a ceiling. That is what the minister had in mind.

Mr. Pickersgill: That is absolutely untrue.

Mr. Lewis: I suggest there is no other way of reading the words of the minister and the words of the Minister of Labour just a few moments ago.

Mr. Greene: May I ask the hon. member a question. I wonder if he could tell me whether he agrees with the words of the hon. member for York South, as recorded at page 7846 of *Hansard* of August 30:

Mind you—

—speaking of the Munroe recommendation—

—from my practical experience I cannot imagine that any arbitrator would go below that recommendation—

Mr. Lewis: That was a very charming way of asking the question, and let me inform the Minister of Agriculture that I intended in about two seconds to refer to that statement. I was going to refer to it when making some remarks on the statement made by the Minister of Citizenship and Immigration. Of course I said it then, and I say it now.

I also said, if the minister had read on—though I am not accusing him of deliberately leaving it out—that there is not any guarantee in the bill. But now there is a difference between the two situations. I am not making this point for debating purposes. If the government wants to look on every remark that is made in that light it may do so, but I am making the point that the bill, as amended, will be more acceptable to the workers rather than before when the government tried to suggest to them that the 18 per cent was guaranteed even though it was not in the bill. Now they know they do not have to start arguing about that before a mediator.

The difference between the bill previously and the amended version is that the previous bill meant that when the unions and railways got together to negotiate, the railways would have taken the position that they could not afford any money for 1967. The unions would then have made their particular demands and the argument over the 10 per cent already recommended by Mr. Justice Munroe would have started all over again.

That is a terribly important difference and members of the government will do their bill, and their action in amending it, a great deal more good and will make the bill much more acceptable if they stop trying to save face, something which is not very important, and point out to the workers that the change which has been made is a change in principle and a change in effect. Then the workers will see that what the government has done was done with sincerity and that its intent was to end the strike in a proper way.

That is why I make this appeal to the government. Do not say this is merely a clarification, because then the men on the line will say "If that is so, we cannot get any more." It is the right of the railway workers to negotiate for something over the 18 per cent which they have already rejected and against which they went out on strike. That is important in order to persuade them to go back to work and obey the law properly.

That is why I welcome this amendment, not merely because it achieves the 18 per cent but because it sets 18 per cent as a guaranteed floor, and the striking workers may hope that they will be able to persuade mediators and arbitrators to increase that and therefore the strike will not have been in vain with respect to the wage item.

Mr. Marchand: You stated that the workers went on strike on the Munroe report. Is that what you said?

Mr. Lewis: I said that they rejected the recommendations of Mr. Justice Munroe and went on strike against them.

Mr. Marchand: But they did not go on strike on Mr. Justice Munroe's report, because it was never offered to them by the companies.

Some hon. Members: Hear, hear.

Mr. Lewis: May I say without, I hope, being insulting, that the distinction which the Minister of Citizenship and Immigration just made is precisely the kind of casuistry in which he engaged in his speech yesterday; pure sophistry, Mr. Chairman.

Mr. Pickersgill: Would the hon. gentleman permit me to ask him a question. He said, if I heard him aright, that the Minister of National Health and Welfare said this 18 per cent would be a ceiling. Would the hon. gentleman in fairness, and without sophistry, give us the precise reference in *Hansard* that bears that out, because I cannot find it.

Mr. Lewis: I very carefully gave the actual words which the Minister of National Health and Welfare used. I did it from memory but I am confident he said this would be the ultimate basis of settlement.

Some hon. Members: Basis.

Mr. Pickersgill: Would the hon. gentleman read the minister's words instead of putting his interpretation on them?

Mr. Lewis: I am not going to engage in that kind of discussion. I am going to put something before the committee—

Some hon. Members: Oh, sit down.

Mr. Lewis: Mr. Chairman, I do not propose to speak while this impolite and completely unacceptable behavior on the other side takes place. If they are going to shout I am just going to stand still, because I do not propose to engage with them in the undignified sort of shouting match in which they like to engage.

I want to say to the Minister of Citizenship and Immigration, who indicated yesterday that he had forgotten some of his experiences, that if the union committee had been willing to accept the 18 per cent recommendation of Mr. Justice Munroe, the likelihood is that the union nominee would have signed it and we would not now be in this position. Therefore, if the union nominee did not sign it and the unions did not accept it, this means they struck against the particular recommendation that was made.

I listened yesterday to the Minister of Citizenship and Immigration with admiration and sadness; admiration for his great eloquence and passion, sadness that they were used to make an elaborate and agonizing rationalization for a position that must have been untenable to him. Each one of us feels he has to do the things he believes himself impelled to do. If that is what the minister wanted to do it is, of course, his right. During the course of his speech, in reply to an interjection of mine, he said there are two kinds of commitments, one a legal guarantee and the other a moral guarantee, and he waxed eloquent about the second.

There was once a labour leader in this country, a man now dead, whose name was Silby Barrett. He was a miner with a definite, characteristic way of speaking. He used to tell us that when he was engaged in negotiations and the employer said to him "You don't have to write everything down, we can have a gentleman's agreement," his reply—and I am using his rather picturesque language—was, "Every time an employer says that to me, I says to him a verbal agreement ain't worth the paper it's writ on."

Lest anyone think Mr. Silby Barrett was wrong I remind the committee that the Minister of Citizenship and Immigration talked a great deal about precedents. Let me draw to his attention a precedent recorded in *Hansard*. In 1950 there was a railway strike, and among the union groups involved were hotel employees and water transport employees and their organizations. During the time the bill to end that strike was before this house in 1950 the C.C.F. members at that time, the hon. member for Winnipeg North Centre, the late member for Vancouver East at that time, and Mr. M. J. Coldwell, drew to the attention of the prime minister of the day, Mr. St. Laurent, that a section of that act was ambiguous and ran the danger of leaving the hotel employees and the water transport employees out on a limb, and that they would not be treated in the same way.

• (11:10 a.m.)

In answer to these charges raised by members of the C.C.F., Mr. St. Laurent, the then prime minister, at page 75 of *Hansard* for August 30, 1950 said:

They—

Referring to the hotel employees and the water transport employees.

—are not being discriminated against in any way. The government, in the bill which it recommended to parliament, has treated them in the same way as the other unions, namely, as one unit; and everything that binds the arbitrator

with respect to any one binds him as much with respect to those two small groups as it does to the others.

Later on in his remarks he said:

It may be that they would agree on different terms of contracts or on different arrangements.

Then the hon. member for Winnipeg North Centre interjected and said:

Let us have this clear. The Prime Minister just said that the arbitrator is bound in his dealings with the hotel and water transport workers in the same way as in his dealings with the others.

He said something more and in answer to that Mr. St. Laurent said that he would not like to discuss those details. The hon. member had referred to some details. Mr. St. Laurent continued:

... but in the recomendation we made to parliament and in the bill itself we have attempted to treat as one unit all those involved in this dispute. On all of the points in which we have provided expressly, we have stated the arbitrator cannot undo what we are doing.

The unions came before the arbitrator, Mr. Justice Kellock. At the very beginning of the discussion the leader of the railway unions, Mr. Hall, drew his attention to the statements of the prime minister. Mr. Justice Kellock in connection with the principles of the interpretation of statutes said:

The principle is that you get what parliament intended from the statute, that the statute is the collective decision. You do not take what some individual said in discussion.

As a result, when the award was brought down by the arbitrator the hotel employees and water transport employees received a smaller wage increase; their contract was for a different term, and they did not get the 40 hour week which the railway workers got. That is your moral guarantee, made at that time in all good faith, I am certain, and with the utmost sincerity, I am certain, by the prime minister of that day. When you interpret a statute the only kind of guarantee is to have it in the statute. That is the reason I am glad the government has accepted the representations made not only in this house but made to the Prime Minister and perhaps to the Minister of Labour by the leaders of the railway unions involved.

Mr. Marchand: If you are trying to demonstrate that the moral guarantees do not exist, how then can you make the statements you have made?

Mr. Lewis: I did not say they do not exist. I demonstrated to the minister that they are not in all cases adequate, and that when you are dealing with a piece of legislation which is going to come before a tribunal which is going to have to interpret it, it is not only inadequate but is irrelevant. The arbitrator may say that he is not bound by what the Minister of Citizenship and Immigration says. He may say that the minister is a very fine gentleman but that the principles of interpretations of a statute are that the statute speaks for itself. Therefore it is of the utmost importance that it be in the bill. If it is not in the bill it is of no effect at all, and the most flowery and eloquent words of the Minister of Citizenship and Immigration—and there were many of them—cannot possibly persuade any arbitrator that that is what the law is when in fact it does not say it.

Another reason I welcome the amendment is that it now can become, and I hope it will, the floor rather than the ceiling, and that the unions will be able to negotiate—and I hope they will succeed in the negotiation—something above that. Last night the Minister of Labour quoted from a conciliation board report which I had signed to the effect that I supported the durable goods standard. The other day I indicated that in my opinion the only way to avoid the possibility of strikes in the railway industry is to set up an objective standard by which the terms and conditions of work for railway employees are measured. We must have an outside comparison and that comparison must be—as I have said on many occasions and in a number of reports which I either wrote myself or which the chairman wrote and I signed—one which makes it clear that the employees of the railways are not subsidizing public policy. As I indicated the other day in respect of the new Railway Act it will be inevitable for decades to come that the railways will be required to carry certain freight at rates less than they might otherwise charge and will be required to carry on passenger services which in their view are uneconomic.

We will require that because Canada requires it. It is right that they should do so. But so long as we require it, so long also will it be necessary for all the people of Canada to make it possible for the railways to carry freight at less than the charge they would otherwise make. There is nothing wrong with the public treasury making that possible. That is the only way we can have a transportation system in Canada. We cannot run it any other way. Therefore over the years that I have been a member of railway conciliation boards, we have taken the position, which I

think is a correct one, that you must have an outside standard of comparison, one which gives the railway workers an adequate return and decent conditions so they are not required to subsidize the decisions of public policy for Canada as a whole.

The durable goods standard was chosen. I hope members of the committee may forgive me if I put some of this history on the record. The durable goods standard was chosen, in the words of Mr. Justice Kellock in 1952, because it was comparable, he said, "as nearly as may be". At that time the comparison was between the average of the hourly earnings of all the non-op employees and the average of the earnings of all employees in the durable goods industry. This was in 1952.

As I suggested the other night, only in one year since 1952 have the railway employees been in a parallel position to that of the durable goods standard, namely in 1953. You will find this in the report of the union nominee, Mr. Crowe. Every year since then they have been paid between 4 per cent and 5 per cent below the durable goods earnings. The research worker for the railway unions informed the board of conciliation that according to his calculations this 4 per cent to 5 per cent below the standard, which they were told they ought to be able to enjoy, was equivalent for each of the 120,000 employees involved to $2,700 over the period.

Why were they below the durable goods standard? This also is of interest and it will take me only a minute or two to put it to the committee.

• (11:20 a.m.)

In 1954 the railway unions, looking at the situation in Canada—and this is the trademark of railway employees to some extent—found that the railway workers, except for a pension plan which was as good as most pension plans in the country, had none or almost none of the other fringe benefits. They had no statutory holidays in their contract, no medical plan and no sick leave provision. They decided in 1954 that they would ask for some of these fringe benefits. Being responsible unions—and some of their members have said to me that they are a little too responsible about this kind of thing—they decided to ask for fringe benefits only and not a wage increase, because the fringe benefits were going to be costly if they were to be granted. The result was that between 1952 and 1956, for four years, the railway workers did not receive a single penny by way of a wage increase. That put them below the durable goods standard to a substantial extent.

When the board of which I was a member looked at the situation in 1956 the chairman decided—and I must say that rather reluctantly but in logic I had to agree with him—it was impossible in one fell swoop to wipe out the entire gap and an award was made that still kept them below the durable goods standard, and this situation was perpetuated.

What in effect has happened is that the railway workers and their unions have said in 1966, with the economy going full blast, with the railways' earnings at the highest level in their history making considerable, indeed, huge profits, this is the year they must catch up and get themselves in a position of real comparison with their likes in outside industries. In order to make the durable goods standard not only comparable "as nearly as it may be", but more comparable so that the comparison is really like with like, the unions proposed, and to me it is thoroughly logical, that the durable goods earnings be adjusted in respect of certain differences between the mix of the durable work force and the mix of the non-operating work force. This would justify a further increase in my opinion of 25 per cent. Thus I say to the Minister of Citizenship and Immigration that in proposing a 25 per cent increase the other day—I was not bargaining—I did so because it seemed to me that what Mr. Crowe recommended, on the basis of the evidence of the unions, was entirely logical and right.

I could spend a good deal of time insisting, as the right hon. Leader of the Opposition has done, that the government caved in or gave in, and I agree with that position; but I suggest to him and to all other members of the house there is nothing I could add that would give the point more emphasis. What is important at this time—and I appeal to the government with all the seriousness I can command to believe that what I say is valid, now that this amendment has been made—is to make sure it is acceptable to the workers. In addition to the Freedman report and the other things that have been mentioned, the thing that will make it acceptable to them is a clear admission by the government and a recognition by parliament, by the news media and by the people of Canada, that what the law now provides is that the railway unions have a right to come before a mediator or arbitrator to seek a 25 per cent increase or an

increase anywhere between 18 and 25 per cent.

I appeal to the government not to insist that the purpose of this amendment is a mere clarification. It is not just that; it is a fundamental change in the principle of the bill.

Mr. McIlraith: No.

Mr. Lewis: The government must frankly admit that. I can say to the government members and other members of this house that in conversations with some of the railway union leaders, even since last night, I have pressed upon them that they should emphasize this fact to their members so the present bill is clearly understood and the action they may take, and I hope it will be the right action, is consonant with the present bill. I urge upon the government that they can help to make this bill acceptable if they recognize the fundamental change in principle their amendment has produced. In this way the workers will believe, rather than what they formerly believed—a belief which I shared, which other members of my party shared and which we had the right to share—that the government wanted to make the 18 per cent a ceiling—

Mr. Pearson: Oh, no.

Mr. Lewis: The Prime Minister says "Oh, no". I have never done anything but pay tribute to the Prime Minister's honesty. If the government did not intend what I suggest but intended what the bill now says I am delighted that at last he did what he intended to do. I am not going to prolong this kind of exchange, but it is just a pity that this was not made clear earlier. The result has been a development in the minds of the striking workers, whatever the reason may be—I am not speaking from guesswork—which will take a little work by the leaders to remove and change. The government can help remove and change that fear by frankly recognizing the fundamental change which is now in the bill. Never mind what was in the mind of the government; the fundamental change that is now in black and white in the bill should be admitted.

Mr. Pearson: Mr. Chairman, —

Mr. Lewis: Mr. Chairman, perhaps I could be allowed to finish unless the Prime Minister is rising to ask a question. Because of certain words in clause 7 which may cast some doubt on whether a mediator or arbitrator will have the power to increase the per cent increase—I am not going into this in detail now because I would be out of order—I intend to move an amendment when we reach consideration of clause 10 in order to make it absolutely clear that nothing in the bill limits or restricts the powers of the mediator or board of arbitrators to award increases in addition to what is set out in the amended clause 6. I hope the minister will accept such an amendment so the workers will know beyond all doubt that this is precisely what the government intends, and will not have to read through all the sections of the act to find that out.

Mr. Pearson: Mr. Chairman, the fears the hon. gentleman has expressed are apparently based on an invalid and unwarranted interpretation of what the minister of health and welfare said the other evening. I will not paraphrase or interpret what he said; I will read a part of his statement as it appears in *Hansard* at page 7852. The minister, speaking about this particular provision in the bill as it then existed, said:

> It is a provisional interim settlement for 1966. The parties are free to change this figure through the process of mediation provided under this bill.

Surely that is clear enough. That process applies to any amendment covering 1967, and that should be obvious. If there is any doubt about that we should remove that doubt at once, but how can there be any doubt in view of what we have said? At the same page in *Hansard* the minister is reported as having said:

> —it is unrealistic that any settlement reached through agreement or arbitration will be less than the total wage package.

This bill provides for a provisional settlement for 1966 and 1967 as recommended by Chairman Munroe. The parties are free to change this by mediation and, if mediation fails, by the arbitration process provided in the bill. When hon. members talk about the minister's statement being that this represented a maximum, which I think was the expression used—

• (11:30 a.m.)

Mr. Pickersgill: A ceiling.

Mr. Pearson: Yes, a ceiling. When hon. members say the minister's statement was that this represented a ceiling, there is nothing in the minister's statement that justifies this.

Mr. Pickersgill: In fact the reverse.

Mr. Pearson: Quite the reverse, as I have just indicated. I regret very much that that

interpretation has been given to the minister's statement and therefore given to this amendment, because it is an entirely unjustified interpretation.

Mr. Lewis: Mr. Chairman, I learned a long time ago, and I am sure the right hon. Prime Minister learned it long before I did, that when people argue about the interpretation to be placed on words it is rather an endless exercise. Let me merely say to the right hon. Prime Minister that whatever was in the mind of the minister, when the bill said—as it did—4 per cent effective January 1, 1966, and 4 per cent effective July 1, 1966, and said nothing more, it was perfectly legitimate to conclude that the fight after the bill was passed would be to get the additional 10 per cent instead of trying to get above it.

The workers were right to fear this wording, and I tell the committee without any hesitation that this is what I feared, and I saw myself arguing this question before the arbitrators. I have had the pleasure of arguing against the present president of the C.P.R., Mr. Sinclair, on a number of occasions; I have had the pleasure of arguing against other C.P.R. and C.N.R. counsel and—

An hon. Member: "Pleasure"?

Mr. Lewis: Well, Mr. Chairman, all lawyers enjoy arguing. After all, as hon. members heard the other night, that is what they are paid for. I have argued with those gentlemen and I know as certainly as anything that when the parties came before the arbitrator the railway would say that the law provides 4 per cent and 4 per cent, he was bound by that, and nothing could be offered for 1967. Instead of arguing before the mediator and arbitrator the question of increasing the 18 per cent, all the energy and attention would have been centred around getting the 10 per cent already recommended.

No one can deny that. That is the reason for the justifiable fear on the part of the unions. The Minister of National Health and Welfare said—and I would ask that nobody shout out his words because I know them as well as anyone—after the hon. member for Kamloops spoke, as is to be found on page 7856:

> Mr. Speaker, the subsequent remarks which I made clearly illustrated that these further percentages were included. If I did not read them, I intended to read them. They should be part of the total picture, the total 18 per cent that will likely be the ultimate basis of the settlement.

I fully realize that the word is "ultimate"—

[Mr. Pearson.]

Mr. Pearson: Mr. Chairman, would my hon. friend mind telling me what he is reading from?

Mr. Lewis: I am reading from *Hansard*.

Mr. Pearson: What page?

Mr. Lewis: Page 7856, the right hand column, fourth paragraph from the bottom. I will read it again:

> Mr. Speaker, the subsequent remarks which I made clearly illustrated that these further percentages were included. If I did not read them, I intended to read them. They should be part of the total picture, the total 18 per cent that will likely be the ultimate basis of the settlement.

Mr. Martin (Essex East): "Basis" of the settlement.

Mr. Lewis: I appreciate—

Mr. McEachen: Mr. Chairman—

Mr. Lewis: May I conclude my sentence?

Mr. MacEachen: Mr. Chairman, I rise on a question of privilege.

Mr. Lewis: May I conclude my sentence?

The Deputy Chairman: Order. The Minister of National Health and Welfare has risen on question of privilege.

Mr. Lewis: I am sorry. I didn't hear him.

Mr. MacEachen: Mr. Chairman, I object very strongly to the use being made of this excerpt from the *Hansard* report.

An hon. Member: Did you say it?

Mr. MacEachen: Of course I said it. I said the 18 per cent would be the ultimate basis of the settlement. What is a basis? It is a foundation, not a ceiling. The hon. member is trying to suggest that the foundation is the ceiling. I made it absolutely clear in that statement that 18 per cent was a basis, a foundation for negotiation and arbitration. The amount could be increased above that.

Some hon. Members: Oh, oh.

Mr. MacEachen: I also said, as is reported at page 7852 of *Hansard*:

> Anyone who has any understanding of collective bargaining, as the hon. member for York South (Mr. Lewis) has, will readily agree that it is unrealistic that any settlement reached through agreement or arbitration will be less than the total wage package.

What am I talking about? I am talking about a foundation, not a ceiling, and I object very strongly to the hon. member for York South making this obvious misrepresentation and distortion of my argument of the other evening.

Some hon. Members: Hear, hear.

Mr. Lewis: I am not surprised that the minister objects. I have had the experience of saying things which I later tried to explain away.

Some hon. Members: Oh, oh.

Mr. Lewis: I have had to do it and I imagine that every hon. member of this house has had to do it.

Some hon. Members: Hear, hear.

Mr. Lewis: I sympathize with the minister about placing himself in that position, particularly since he made a speech with great eloquence and passion arguing that the bill was absolutely all right and needed no change, and now finds himself in the position where a change has been introduced which according to him was unnecessary. I can quite understand that he feels uneasy and uses strong language like "misrepresentation" and "distortion". I tell the minister that he can use any language he likes. I believed when I heard those words, I believed when I read those words, that they meant the minister intended that 18 per cent would be the settlement. If that was not his intention I am very glad to hear it was not. When I said what I did I was not misrepresenting, I was not distorting; I was saying what his words produced in my mind and what I know they produced in the minds of the railway unions and the labour people who were listening to them.

Mr. MacEachen: Mr. Chairman—

Mr. Lewis: If the minister wants to engage in an argument, we can do that; but everybody has said this bill should be passed as soon as possible and I do not want to delay it.

Some hon. Members: Oh, oh.

Mr. Lewis: I am not interested in pursuing this matter further, Mr. Chairman, except to repeat what I said, namely that the minister will serve the purpose of the amendment better by admitting that the amendment to the bill now makes the position clearer than it was before. It makes clear what he says he wanted to say, namely, that the 18 per cent was the floor and not the ceiling. If the minister and I agree on that fact, I am ready without any hesitation, for the sake of ending the strike, to stop accusing him of doing one thing or another. The important thing is—and this is my reason for referring to this matter—that the minister and his colleagues not undo the possible good which they did by the amendment by insisting that it was always the same thing.

Mr. Martin (Essex East): Agreed. Let us go on.

Mr. MacInnis (Cape Breton South): Stand on your desk after this, Allan; it's harder to pull the rug from under you.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I want to make a few remarks on my own behalf and on behalf of my party, on the amendment to clause 6 which we hoped for whole-heartedly.

I shall not take too much of the time of the house, because too many speakers have done so since last Monday. I believe that if Canada's population had seen certain shows in this chamber, it would be very sorry for the behaviour of this house in such a case. It seems to me that the situation in Canada is too serious to engage in politicking, to play with words and to try and get out of a bill a meaning that is not in it and to try and gain popularity to the prejudice of labour and industry and of all those who call us on the telephone all day long to ask us to bring this strike to its conclusion.

• (11:40 a.m.)

Mr. Chairman, as far as our party is concerned, we have done all we could; only two of our members spoke and they simply expressed our general views on this strike and on what we expected of the government.

Mr. Chairman, the hon. Minister of Manpower (Mr. Marchand) told us that the question of wages and working conditions could not be wholly dealt with by this house. According to what we have heard in this house these last few days, I agree with the minister one hundred per cent that if a collective agreement had to be drawn up, it would take at least, two years, especially in the atmosphere now prevailing in this house.

I think that if political games could be stopped on both sides, discussions would be a lot more simple. But, unfortunately, you cannot prevent a politician from playing politics

any more than a doctor from practising medicine.

One thing we can prevent, however, is excesses. And heavens knows that we have had our fill of excesses since Monday, Mr. Chairman; I hope the house will show some sense of responsibility so that the bill will be passed by this evening.

However, things would have been much simpler if the government had introduced clear legislation instead of getting lost in implications, clause 6 is a striking example. In fact, if the government had inserted in the bill right from the start what it was finally compelled to put in by way of amendment, the Minister of Manpower would not have been exposed to ridicule following the famous speech he made to try to make us see some moral sense in Bill No. C-230.

We understood his remarks to mean that he wanted to leave the final decision to those who are truly responsible and that was not so bad but it is even better when the legislation spells out that the immediate increase will be the basis of future negotiations and not a moral ceiling, as stated in the original bill and as claimed by some hon. members. It is mostly that point which caused 75 per cent of the misunderstanding and useless discussions.

Under the amendment, railway workers will then get an increase of 4 per cent retroactive to January 1966, another one of 4 per cent retroactive to July 1966, a third one of 4 per cent in January 1967 and an additional one of 6 per cent in July 1967. Contrary to what the Leader of the Opposition (Mr. Diefenbaker) and others who seek to reap a political advantage from this, the amendment was not moved at the suggestion of the opposition; it was just simply proposed by the various boards.

That is why I stated at the beginning of my remarks that the debate could have taken only one day if the bill had been drawn along the lines of the board recommendations. It will remain for the mediators and the two parties concerned to make the final adjustments. If those terms had been as clear as they are now, we would already be considering the second bill.

But something else has me puzzled, since I met the members of the Canadian Brotherhood of Railway and Transport Workers which has 23,000 members. It is a wholly Canadian union but affiliated to the American Railway Workers Unions. That group is completely opposed to increases on the present percentage basis, because once again that favours the highly-paid people.

Mr. Chairman, I have here the brief submitted by the Canadian Brotherhood which reads in part as follows:

> The requests made by the Brotherhood are as follows
>
> that all wage rates be increased by 90 cents per hour—
>
> —that an employee with at least two years of service must not be laid off, etc.

The brief deals with working conditions, but our concern as regards clause 6 of Bill No. C-230 is the financial terms; therefore, I will not wander from the subject, like the Leader of the Opposition did so well last night. I will keep to the salary conditions. And to prove it, Mr. Chairman, the said 18 per cent which those who really need it, that is the small wage-earners, will get is equivalent to 20, 25 or 30 cents per hour, whereas the highly-paid people will get $1, $1.10 and $1.15 more.

I submit that it is precisely about that class of workers that we should think. To get a concrete example, I questioned a few workers. For instance, a clerk with a family, who has been working for the C.N.R. for 20 years, today earns $360 a month, for 174 hours of work, that is $2.05 per hour.

Another employee, who looks after the maintenance of a passenger train, earns $1.90 per hour after 15 years. An engineer earns $2.25 per hour after 40 years, and should he have an unfortunate accident like the one I mentioned last winter in my region, because he has to work under inadmissible conditions, the authorities of the C.N.R. hasten to give him a ticket. Another operating employee with 25 years experience earns $170 per week. It is a good salary, but he works 96 hours a week, which means $2.10 per hour. I would like to give you a host of cases in those classes of workers where clearly ridiculous salaries are paid, without talking about the conditions in which they have to live.

If you study the situation seriously, for some of them, the salaries are not adequate and for others, working conditions are not what they should be. On the matter of salaries, I prefer the proposal made by the Canadian Brotherhood of Railway Employees, namely an increase of 90 cents per hour instead of 18, 20 and even 30 per cent. I will go even further, Mr. Chairman, and say that to be fair and to give a equitable increase, that increase should be limited to wages of

$12,000 or less, in short, no increase should be allowed to those earning $12,000 or more, but 90 cents an hour should be given to those earning $12,000 or less. I think the proposal would be a great deal fairer.

Would the Minister of Labour (Mr. Nicholson) tell us whether that brief has been discussed during meetings with unions. It appears to have been ignored completely, since not a word has been heard about it since Monday. Were the voices of those trade-unionists who are, after all, 20,000 in number, neutralized under the power of American unions? I would like to know the views of the Minister of Labour in that respect.

As far as the requests of the Brotherhood are concerned, I trust their voices will be heard in committee and that the next mediator will allow the small ones as well as the big ones to have a say in the matter. We are, therefore, expecting the report which, according to the bill, will be submitted to us on November 15, 1966, to put forth proper claims.

• (11:50 a.m.)

In the meantime, everyone should assume his responsibilities because Mr. Chairman, I am afraid that in that whole matter parliament is not alone responsible for this state of affairs.

If we consider the Canadian National authorities, the chairman, the directors, who are 11 in number, the administrators who are 23 or 24 in number, we wonder whether they are not responsible for the disaster. That is why I also ask the Minister of Labour, the cabinet which appoints those persons, which is responsible for them, to try to find out whether they treated the workers as they should have, whether they did not instead remain undisturbed in their ivory tower and left the workers struggle with their poor wages and abject working conditions.

I think the culminating point of all that matter is to be found more with management than with the workers. We now have a group of administrators who seem to consider only the fabulous salary. When we consider, for example, $75,000 a year, apart from expenses, which amount to about $100,000 for the president of the Canadian National, will someone tell me that the chairman of the Canadian National is greater, more competent, has more responsibilities than the Prime Minister (Mr. Pearson)? And yet he is paid twice as much as the Prime Minister! Well, this is a democracy—I am told he is more competent—and I have to consider the position to which he was elected by the people, but, I think that if Mr. Donald Gordon were running in an election, he would not receive 250 votes. When we compare the salary of that man with that of the leader of Canada, I say that not one civil servant should draw more than the leader of Canada. And here, Mr. Chairman, I want to call the attention of the cabinet to the fact that that race for salaries must come to an end. Is there some collusion between them, because not a word is heard, not one blame is made, and that in any crown corporation. Take the C.B.C. it is the same thing. They raise their own salaries. At the end of the year, they have a deficit. When they have a deficit, when they are in trouble, as we have just had with the workers, then they come to us and say: Sirs, you are the friends of the people, come and protect us, come and pay the deficit, go before the union members and help settle our mistakes, while we continue to take it easy.

Mr. Chairman, I call the attention of the Minister of Labour, of the cabinet, of the whole cabinet and of parliament to these blood-suckers who are mocking us, mocking parliament with their catastrophic salaries and who help put crown corporations in the red. And we accept that. Yes, we accept that. No, Mr. Chairman, I say that this state of affairs must cease and that all should assume their responsibilities. If the responsibility for the current strike lies with the authorities, let them be judged and if they have to be fired, let them be fired. That is all. For there is not a man better prepared than the president and the directors responsible for C.N.R. transport more qualified to deal with the worker. He is in a position to know what he needs, to know the conditions, and to set him up in a humane position, in a social environment where the worker will enjoy life.

That is the duty of those who have been appointed by the government and who are responsible for the Canadian National. It may be nice to hold a job, to have all the salary and refuse all responsibilities. Mr. Chairman, I say it is the responsibility of the cabinet to look into this and force those in charge of crown corporations to settle the working conditions of labour, the working conditions of crown employees, and if they cannot agree, let us throw them out.

Throw them out. Period. Being uninformed about the detailed organization of these companies, members of the house are unable to form an opinion. That is why, as I said earlier, the Minister of Manpower (Mr. Marchand) was right in saying that it was not

up to the members of the house to deal with collective bargaining because they were not qualified to do so. It belongs to those people. Let everyone exercise his rights, carry out his own duties and mind his own business.

I ask the Minister of Labour to consider this aspect of the problem during the committee stage and stop bearing down the members right and left. Some people claim that we are not settling the strike. But really, how can we go about settling a strike? What is the use of a disagreement between employers and workers? What business is it of ours, logically? If every man assumed his responsibilities, if C.N.R. authorities assumed their responsibilities, there would not be any strike, because, after all, we are politicians and in studying this matter, we realize it is simply ridiculous to linger over the question of salaries of the railway workers, because we pay a salary to those who remain idle and allow the workers to starve, those who operate the railways.

In addition, those people are constantly badgered by five or six inspectors and auditors. I note that top management comprises approximately one third of the employees. They are greenhorns, just out of university who come to inspect. I saw in my area three inspectors conduct a little investigation during a week at the railway station—I shall not give any name because they will get after them—and where the agent could have done much better than they did at no cost at all. But I would not have liked to pay the bill of those three puppies who strutted around town for a week.

There must be an end to this with regard to the C.N.R. I saw two employees working on the tracks and three "foremen" supervising their work. Well, now.—

The Deputy Chairman: I regret having to interrupt the hon. member, but I believe that he is entering into various administrative details whereas he should be speaking on clause 6, more precisely, dealing with wages.

Mr. Gauthier: Mr. Chairman, I believe I was precisely speaking of wages. Clause 6 deals with wage increases. I therefore say that present wages are completely inadequate; that is why I wish to call the hon. labour minister's attention and that of the cabinet on this matter. They will most probably hold a committee meeting, and when the committee discusses the matter I would like them to be aware of the opinion not only of the authorities, of the American unions, but also of that of a 100 per cent Canadian union, the Canadian brotherhood of employees, with a strength of 23,000 members.

I therefore hope that the hon. minister will seriously consider what I have just said.

Mr. Chairman, in conclusion, we hope that the railway authorities will consider the MacPherson report which is not at all favourable to the workers and we also hope they will be honest enough to read and try to put into practice the Freedman report, which is much closer to the workers.

Mr. Chairman, I believe we will find in this report the solution to all strikes across Canada, in the coming years.

• (12 noon)

[*English*]

Mr. Olson: Mr. Chairman, last night when the Minister of Labour announced his intention to move an amendment to clause 6 when it was reached, and then read the words of the amendment he intended to move, I suggested there were some defects in the wording if it were meant to give effect to what the Minister of Labour, the Minister of National Health and Welfare, the Minister of Citizenship and Immigration and the Prime Minister were saying would be the intent of the amendment. As I read the amendment today I see there are still two serious defects in the legal terms which are required by statutes in order to achieve what I think the government and I am sure all members of the house hope will be the effect of the amendment.

In the first instance, I think the purpose of amending clause 6 is to provide a 4 per cent increase effective January 1, 1967 and an additional 6 per cent on July 1, 1967, not to amend the collective agreements which expired at the end of December, 1965. The clause put forward the minimum figure for arbitration purposes if arbitration becomes necessary.

Therefore, Mr. Chairman, I do not think it is right or proper to suggest that the intention is to amend clause 6 so as to change the collective agreements by statute and fix that percentage as the amount of the increase. Surely if we are to take seriously the statements which have been made by ministers both yesterday and today—and I hope I can take them seriously—this is to be a minimum figure, not a fixed amount.

There is one other serious defect in the wording of the amendment, and it is this. While it speaks of an additional 4 per cent effective January 1, 1967 and another 6 per

cent on July 1, 1967, I suggest it is possible, in view of the present wording of the clause, that some individual employees may not receive an 18 per cent increase. I suggest it is possible that the mediator or arbitration board could interpret the wording as setting an average increase of 18 per cent. Some employees might only receive 14 per cent or 12 per cent while others might receive over 18 per cent, but it would average out to 18 per cent. Since in my view that result is possible—and I have consulted some competent people in this matter—I think this would be a breach of faith so far as the workers are concerned and a violation of what is intended.

There has been far too much misrepresentation, if you want to call it that, or at least misunderstanding, up to this point of the debate about what parliament intends to do in connection with this dispute. Surely, Mr. Chairman, having now reached the stage where it seems that all parties agree that the intent of the amendment is good, we should use language which will avoid any breach of faith when the final arbitration decision is handed down, if things go that far.

I know there are differences in the amounts which should be granted to various categories or classes of employees. I think there are some who in justice should have relatively larger increases than others. But I suggest to you, Mr. Chairman, to the government and particularly to the Minister of Labour that there is room above the 18 per cent minimum figure to make these adjustments. I do not think this parliament should now, after we have had all this difficulty, approve an amendment which will in fact legally allow an average increase of 18 per cent rather than provide an increase of 18 per cent as a guaranteed minimum to every single employee coming within the two categories under the collective agreements which are discussed in clause 6.

After the indication was given last night that this amendment would be introduced I telephoned a number of representatives of the labour unions and told them I thought they could tell their members that each one of them, if they went back to work, could expect to receive nothing less than at least an 18 per cent increase. They replied that if other considerations were referred to the mediator or arbitration board, relating to other fringe benefits, the question of job security and so on, they were of the opinion that the employees would probably accept them, would obey an order of parliament and would go back to work.

I think if we ask them to do that the language which is used should make it so abundantly clear that there can be no misinterpretation and none of them will find themselves three or four months from now with an increase of something less than 18 per cent; that this figure of 18 per cent was meant to be a minimum and that some employees would receive more than that figure. It would be disastrous for parliament to leave the impression that we are passing a law to guarantee this minimum if it does not turn out that way. As I said before, there is room above the 18 per cent for those categories of employees needing special consideration.

• (12:10 p.m.)

I implore the Minister of Labour to do something about this situation. I have looked at his amendment and considered various means of moving a subamendment which would correct it to give effect to the proposal I have been making. It would take some time to do this because I think the proposal should be spelled out in detail so the mediator or arbitration board would be bound by it.

What I ask now is that the minister withdraw this amendment. This is the simplest way of handling the difficulty. If he wishes, he can have my amendment and move it himself. I do not care whether I move it or not. I believe it spells out what is intended. To support this contention I could quote from the speech made last evening by the Minister of Citizenship and Immigration. I will quote a paragraph from the report which appeared in today's *Gazette*:

> At one point, Mr. Marchand declared that if he were not convinced, utterly convinced, that the strikers could be certain of a wage increase interim settlement of "at least" 18 per cent, "I would oppose the bill."

Surely this means 18 per cent for each individual worker. The report of the minister's statement continues:

> There was, he said, a "moral guarantee" to the railwaymen that nothing less would be available.

Then the Prime Minister himself is quoted as giving a similar assurance. In other words there is no thought that the total increase over the two year period will be any less than 18 per cent reached in four instalments, as recommended by Mr. Justice Munroe and Mr. Justice Cameron. I believe this is what is intended, and this is what the legislation should make clear. I do not have a copy of

Hansard for yesterday—copies may be available now, but I could not get one a few minutes ago—but in today's issue of the *Globe and Mail* I see the following:

> The Prime Minister told the commons that the government bill ordering an end to the strike had always been intended to ensure the minimum 18 per cent pay boost recommended by two conciliation boards.

Surely this means that the increase applies to every single employee and that the figure is not to be an average of 18 per cent so that some employees would find themselves given less. On this point I could quote further from the speeches by the Minister of Citizenship and Immigration and the Minister of National Health and Welfare. It seems abundantly clear that every employee can expect a minimum of 18 per cent, but this is now what could be the effect of the amendment. I should like the minister to give this house a firm assurance that this amendment will guarantee every single employee a minimum of 18 per cent; or does he say it is only an average that we are talking about?

Again I ask the minister to do the simplest thing; to withdraw this amendment and bring in another which does meet the point I have raised. The amendment I have prepared says:

> That the terms and conditions of any amendment or revision of the collective agreements to which this act applies, determined under the provisions of sections 8, 9 or 10 of this act, shall provide at least an increase of not less than 4 per cent and not less than an additional 6 per cent for the two respective dates in 1967.

We have had enough confusion, enough delay, misinterpretation and misunderstanding. Let us not now make any mistake concerning the terms which are binding on the arbitration board as a result of the instructions in this legislation. I ask the minister to make the changes for which I have been arguing.

Mr. Nicholson: I wish to thank the hon. member for Medicine Hat not only for his remarks this morning but for his contribution to the debate last night and for the material with which he supplied me. What disturbs me about the suggestion put forward by the hon. gentleman is this. We now have a formula produced by Judge Munroe and concurred in by Hon. Mr. Cameron, that is, 4-4-4-6. No one would disagree with the conclusion stated by the hon. member for Medicine Hat. I might refer to the clear statement made by my colleague the Minister of Citizenship and Immigration.

[Mr. Olson.]

There is no doubt that over the two years they are going to get at least 18 per cent. There is not the slightest doubt about that. What is bothering us is this. I have had discussions with several union leaders, and in commenting on the Munroe formula some of them expressed the thought that in collective bargaining with or without a mediator, or in further discussion, they would like to be free to consider changes in that 4-4-4-6 formula. For example, they might want it to be 5 and 5 or 6 and 4.

This amendment, which is based on precedents established by the St. Laurent government in 1950 and by the Diefenbaker government in 1958, puts in the provisional amount and leaves it open to the parties to negotiate further. The unions themselves have stressed the desirability of flexibility, the possibility of changing the percentages to be found in the bill.

However, in deference to the reasoned approach of the hon. member for Medicine Hat, and because I believe the situation he envisages can be covered more effectively in an amendment to clause 10 rather than to the clause now under consideration, I will be quite willing to make a suggestion. Let the parties mediate. Let them continue to negotiate, and if they wish to vary these things by negotiation, let them be free to do so. But the suggested amendment makes it clear that if arbitration becomes necessary there will be nothing less.

I suggest that we stand clause 6 for the time being, and I shall ask the law officers and the officials of my department to give this further study. I would even be pleased to have the hon. member for Medicine Hat discuss the matter with them. I believe that we must give the parties flexibility, if they decide by genuine collective bargaining that they would like to vary these terms, while at the same time making it clear that if it comes to arbitration nothing less than 18 per cent will be granted.

• (12:20 p.m.)

Mr. Olson: I would have no objection to an amendment to clause 10 that would give effect to the points I have been arguing. Could the minister tell us now before we pass clause 6 what amendment he intends to move to clause 10?

Mr. Nicholson: On a point of order, Mr. Chairman, my suggestion is to stand clause 6 until the law officers have had another opportunity of looking at clauses 6 and 10 together.

Mr. Olson: I accept that, but I want to make it as clear as I can that I personally, in view of the commitments that have been given, cannot accept any formula that would allow an arbitration board to have flexibility to make an award for any individual employee that would be less than the guaranteed 18 per cent minimum.

Mr. Nicholson: I do not want to prolong the debate. The hon. member's argument is persuasive. It has also been made by others. A commitment has been made by the government through two of its ministers, and since the sitting began this morning a proposed amendment to clause 10 has been sent to me in the chamber. I would like an opportunity to consider it further. I think it will accomplish the very purpose we have in mind to ensure the necessary flexibility, but if by chance arbitration does become necessary there would be no reduction in the basic and daily rates recommended by these two gentlemen. Therefore I suggest that we stand clause 6 and consider it jointly with clause 10.

Mr. Nugent: I cannot see the purpose of standing clause 6. In fact I cannot see the value of the argument advanced by the hon. member for Medicine Hat. A clear reading of clause 6 shows that automatically on the coming into force of this law each rate of wages and basic daily rate is amended by increasing the amounts on the set dates. Each contract and each rate is automatically increased by the amount set forth. The workers may negotiate and get more, but these changes are clearly spelled out. I cannot see any force in the argument put forth by the hon. member.

Mr. Brewin: The minister has suggested that an amendment to clause 10 is being drafted and has asked the hon. member for Medicine Hat to suggest amendments. Would he consider amendments suggested by other hon. members, because I have drafted an amendment to clause 10 which I believe meets this and other related problems.

Mr. Nicholson: I said that during the course of this debate a draft of a proposed amendment has been prepared. I would be glad to read that proposed amendment but I would like to have an opportunity to study it further.

Mr. Diefenbaker: This is an amendment to what clause?

Mr. Nicholson: To clause 10, which says that any board of arbitration appointed under paragraph (a) of subsection (1) shall not provide for reduction in any daily wage rate or basic wage rate suggested in clause 6.

We want to come out with something that will leave no doubt in the minds of the men when they are invited and encouraged to go back to work, but if as a result of further useful negotiation some of the unions may want to split one way and some another—if they want to try for a 5-5 or 6-4 formula—they must have the necessary flexibility.

Mr. Diefenbaker: I must say the argument advanced by the minister seems to be well founded. It is clear and definite, and in my opinion the suggested amendment would certainly cover the situation. To stipulate that in every case a certain course should be followed with the various unions would be to make a masquerade out of the proceedings. I wondered how an amendment could possibly cover the situation. I think this one does, and I do not think it requires very much examination.

Mr. Brewin: In view of the suggestion that this matter be considered further I would like to put on record an amendment to clause 10 which I drafted and propose to move. It would add the following as subclause 1(c):

> Providing that if the decision referred to in paragraph 10(b) is less favourable to the claims of employees in respect to terms or conditions of employment than the recommendations made by the chairmen of the boards of conciliation in respect to collective agreements to which this act applies, then the said collective agreements shall be revised or amended so as to comply with the said recommendations.

The effect of this would be not only to deal with matters of wages but to cover the point that the recommendations of the chairmen of the boards of conciliation would provide a level below which the final terms of settlement could not fall.

Mr. Nicholson: I must confess that I think such a suggestion would be contrary to the thoughts which I expressed last night and which were expressed by the hon. member for Kamloops, reflecting the position of the official opposition, that this course would be incorporating fringe benefits in legislation. There must be room for further negotiation. You would also be using not only the wage package, but also the fringe benefits as the springboard.

• (12:30 p.m.)

I would be glad to give further consideration to the suggestion, but I must say that my

first reaction to it is not favourable, because again one of the parties would be getting the best of both worlds, and in a matter of collective bargaining you have two sides to consider, not just one. However, I will give the matter further consideration and we can deal with it when we are considering clause 10.

Mr. Baldwin: If the minister is going to consult with his legal advisers I should like to make the suggestion that we might have an amendment to clause 6 or clause 10 to meet the point raised by the hon. member for Medicine Hat, by adding a further subclause in these words: Provided, however, that in the result the aggregate of the minimum increase to be figured by any employee—and I am using "employee" within the terms defined in the act—for the period January 1, 1966 to the end of December 1967 shall not be less than 18 per cent.

Mr. Nicholson: I will be glad to consider that suggestion. I must say my present view is that I am inclined to favour the suggestion prepared by the law officers who advise my department. I will be glad, however, to consider whether this is preferable to the one we have.

Mr. Lewis: Mr. Chairman, since the minister will be considering this proposed amendment to clause 10 may I point out that unless there is some clarification concerning clause 7, so far as I am concerned the suggestion of the officers in his department does not cover the entire field. So far as it goes I think I agree with him that it is the simplest way to guarantee that it cannot go beyond the 18 per cent. I think this is simple language which the workers will understand; but what confuses me is that there is language in clause 7—

Mr. Nicholson: Can we discuss clause 7?

Mr. Lewis: There is language in clause 7 wich may be interpreted as meaning that the arbitrator cannot go above the figure. That is what I am concerned about.

Mr. Nicholson: I thought we agreed that clause 6 would stand and that we would look at clause 7.

The Chairman: Does the committee agree that clause 6 and the amendment thereto stand?

Some hon. Members: Agreed.

Mr. Allard: No.

[Mr. Nicholson.]

The Chairman: The hon. member for Sherbrooke.

[*Translation*]

Mr. Allard: Mr. Chairman, I understand that I may speak for a few minutes on the amendment moved to clause 6 (a).

If my understanding is correct, I may, at this stage, make a few remarks that I was not allowed to make up to this point, in view of the fact that the Chair had not yet recognized me, although it recognized other hon. members twice. I do not know whether the Chair is as near-sighted as I am, but I might put my strong glasses at its disposal—

[*English*]

The Chairman: Order. It might be just as well for the hon. member to confine his remarks to clause 6 and the amendment.

[*Translation*]

Mr. Allard: Mr. Chairman, before making a few brief remarks concerning the amendment to clause 6, which deals with the interim salary, I just want to call attention to a statement made earlier by the member for Roberval (Mr. Gauthier), which the Chair allowed him to make, in which he criticized the very high salary of the president of the C.N.R., Mr. Donald Gordon. I wish to say that I support that statement. I would even go further and say that this particular gentleman should be dismissed from his post or else his term of office should not be renewed, as it was by the former government, since in their hearts the great majority of railway workers—

[*English*]

Mr. Nicholson: Mr. Chairman, on a point of order; are we now discussing clause 7 of the bill? I suggest that what the hon. member is saying has no relation to clause 7.

[*Translation*]

Mr. Allard: Mr. Chairman, if I may be allowed to answer the hon. Minister of Labour (Mr. Nicholson), the Chairman has allowed me to comment on the amendment to clause 6. I have the permission of the Chair to do so.

[*English*]

The Chairman: Order, please. When the Chair asked whether the committee agreed to stand clause 6, the hon. member for Sherbrooke objected. The question now is on clause 6, and I would ask the hon. member for Sherbrooke to confine his remarks to that particular clause and the amendment thereto.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I rise on a point of order.

Previously, other members spoke about what the hon. member for Sherbrooke (Mr. Allard) is dealing with, precisely as concerns clause 6. Since the matter was brought up on clause 6 by members from other parts of the house and the Chair allowed it, I do not see why the hon. member for Sherbrooke should be prevented from dealing with the very subjects which were allowed by the Chair on clause 6.

Mr. Chairman, I know that the hon. member for Sherbrooke wishes to speak only a couple of minutes on that point and I feel the debate would be shortened if he were allowed to do so. Thus, everybody would be treated the same way, since the topic was allowed previously.

Personally, I have no remarks to make on any clause of the bill, precisely to hasten its examination. I intend to speak on the second railway bill, and since I have refrained from saying anything on the one which will then be law, I trust I will be allowed to speak on the other less urgent legislation.

[*English*]

The Chairman: Order. The Chair has no intention of interfering with the right of the hon. member for Sherbrooke to speak, but the Chair does expect the hon. member for Sherbrooke, as I am sure he expects all other members of the committee, to confine his remarks to clause 6 which is now before the committee.

[*Translation*]

Mr. Allard: I am pleased Mr. Chairman, to abide by your ruling.

The only unfortunate point that I want to raise—that ruling is valid and we must accept it—is that free scope was given in this house since the beginning of the sitting to other members who were able to deal with various matters not directly related to clause 6.

• (12:40 p.m.)

But, with respect to the amendment moved this morning, I want to make a few remarks; I want to express my sincere disappointment concerning the position and the procrastination of the present government which proceeds by trial and error and appears to this parliament and to the country as a weathercock, turning about and grinding according to the wind.

We met here for an emergency session, and Monday we were presented with a bill having three purposes, which I supported—we were asked on second reading to support it—and I did so with pleasure, in the public interest and especially because we understood that one of the three purposes was an interim salary increase which was merely a token gesture to create a climate, even though it behooves neither the government nor parliament to determine levels of wages between employers and employees in that conflict.

Last night the Minister of Citizenship and Immigration (Mr. Marchand), in his masterly speech which we applauded, pointed out that the clause concerning wages, which is amended today, was merely a moral guarantee, that there was in the bill the necessary mechanism and structure to enable that matter to be discussed during mediation and arbitration, if necessary, by qualified persons. He even said that a moral guarantee, and I was pleased to support him, was often stronger than legal provisions written in a piece of legislation. We applauded that statement by a minister of the crown who has responsibilities, who is not afraid to assume his responsibilities in this house.

Now, today, an amendment is introduced. Another change of mind. I wonder who prepares our country's legislation? Is it the government or outside people, not belonging to this parliament? Is that the course to follow?

We were asked to agree to second reading—which I did personally, in the interest of the country and when I noticed that there was in the legislation the necessary mechanism and structure enabling this very important matter to be discussed by qualified persons—but after we voted, after being in the boat, an amendment is introduced contradicting the statement made yesterday by the Minister of Citizenship and Immigration concerning the moral guarantee which was supposed to be felt, and which I had felt when reading the bill. Today, of course, we are presented with an amendment.

Well, Mr. Chairman, it does not rest upon the government to determine the wages of railway workers; it is a problem to be decided between the parties, the railway workers and the company, and if the problem is not settled by mediation, it will have to be by arbitration.

Parliament is substituting itself to the very parties, the structure and mechanism it created in its bill, to force consideration of standards by mediation or arbitration. That is not

incumbent on us. Parliament must be called upon in that conflict after a decision has been made by mediation or arbitration. Then we are called upon as responsible legislators, in that conflict, to vote subsidies, but when standards and wage increases have been determined by other bodies and other persons.

Well, this morning I want to express my disillusion. I hope the government will not come up again, before we have completed consideration of the bill, with other amendments changing its whole aspect and policy statements on which we were asked to vote on second reading.

[*English*]

Mr. Fawcett: Mr. Chairman, I do not intend to speak now on clause 6, but I should like to read an amendment to clause 7 at this time with your permission. I have copies of my amendment for distribution.

Mr. Pickersgill: Mr. Chairman, I think the hon. gentleman's position could be met providing it is understood that when clause 7 is called he can propose his amendment. If it is agreeable to the committee to stand clause 6, as seemed to be the general view a short time ago, to give the Minister of Labour an opportunity to obtain some legal and physical sustenance, I think we would make more progress. The house leader does not happen to be here at the moment, but he has authorized me to suggest we rise for half an hour and return at 1.20.

Mr. Starr: Agreed.

Mr. Pickersgill: That is on the understanding that clause 6 stands.

The Chairman: Does the committee agree to standing clause 6 and the amendment and moving on to clause 7?

Some hon. Members: Agreed.

The Chairman: Does the committee also agree to suspending the sitting from now until 1.20?

Some hon. Members: One thirty.

The Chairman: Is it agreeable that we suspend the sitting from now until 1.30?

Some hon. Members: Agreed.

SITTING SUSPENDED

At 12.45 p.m. the sitting of the committee was suspended.

[Mr. Allard.]

SITTING RESUMED

The committee resumed at 1.30 p.m.

The Deputy Chairman: Order. When the committee rose it was understood that we would stand clause 6 and proceed with clause 7.

Mr. Fawcett: Mr. Chairman, as I indicated prior to the lunch recess, I have an amendment which I think would follow clause 6. It would be a new clause 7. With your permission, Mr. Chairman, I will read the amendment. I have for distribution a limited number of copies in French and English. My amendment is as follows:

That immediately following clause 6, there be inserted the following as clause 7, and the clauses 7 to 11 be re-numbered accordingly.

7. Notwithstanding the provisions of any other act, the terms and conditions of each collective agreement to which this act applies are amended forthwith by inserting therein the following clause:

"The employer shall not introduce or implement any technological innovation, development, or change which would materially and adversely affect the working conditions of his employees until after he has negotiated the matter with the bargaining agent of his employees, and that if no agreement is reached, the matter shall be referred to a conciliation board as provided by section 22 (2) of the act, and that if the employer introduces or implements the proposed changes without such negotiation and conciliation his employees shall have the right to strike immediately as if the collective agreement had expired and all other statutory requirements had been met."

I so move, Mr. Chairman.

Mr. Nicholson: Mr. Chairman, the problem raised in the suggested new clause 7 has already been referred to in this debate. It was referred to by at least three of my colleagues, the Prime Minister, the Minister of National Health and Welfare and the Minister of Citizenship and Immigration, and by the right hon. Leader of the Opposition and other speakers. Does the hon. member for Nickel Belt wish to speak in support of his amendment?

Mr. Fawcett: I thought the Minister of Labour was going to make a statement concerning the intentions of the government with regard to the recommendations of the Freedman commission. I wanted to speak on the amendment but thought I should give the minister a chance to tell the committee whether the government has something in mind in connection with the Freedman commission recommendations. I will forgo what I have to say if the Minister of Labour wants to make some explanation.

Mr. Nicholson: At this stage, Mr. Chairman, I am not going to raise any technical objection whether we should have a substantive clause dealing with technological change. Under the circumstances I suggest that the hon. member now make his submissions in support of the amendment.

Mr. Fawcett: I thank the minister. I do not intend to take up too much of the time of the committee. This matter was the substance of my notice of motion on which I spoke at great length on March 30. At that time I explained fully the reason for my notice of motion. I believe a good many members in the house today were members of the house when the problem developed which resulted in the Freedman commission being established.

I do not think there would be much point in my making a lengthy speech on this subject but I should like to point out one thing, namely, that on the railroads there has perhaps been less said about the effect of technological change than in any other industry. This change has been going on for very many years and a great number of people have been displaced from their jobs. Only when the run through issue arose did this problem reach the headlines. But in the railroad industry the problem started many years ago, particularly in the locomotive shops when the railways commenced to use diesel power. In some cases locomotive jobs were done away with completely. Many of the employees found employment elsewhere, some had to take employment at a smaller salary, and there was no plan at all for taking care of the situation caused by these displacements.

The situation that arose with regard to firemen is another example of how technological change has affected the railroads. Last evening the hon. member for Timiskaming dealt very ably with the question of the increased productivity of train crews, which of course has resulted in fewer employees being required to handle the same tonnage of freight. This does not necessarily affect passenger trains because they are only a very small portion of the operations of a railway. Then we have had the innovation of centralized traffic control on Canadian National Railways. This is another example of technological change. Telegraph operators became redundant. While this change did not mean that fewer people would have jobs, and in fact I do not think the number of employees was reduced, it was a matter of a change being made without sufficient negotiation with the unions.

To give credit where credit is due, many telegraph operators were given the opportunity of training to become centralized traffic control maintainers and that sort of thing, but the change was made in a haphazard way. I do not wish to be misunderstood in this connection. I am not being too critical of the railways. Many telegraph operators thought it would be better if they left the railroad and got another job, which is exactly what many of them did. But the problems of run throughs caused the greatest furore. As a result the Freedman commission was set up but not before there was a wildcat strike on Canadian National Railways which tied up the trains from coast to coast.

• (1:40 p.m.)

I will reiterate very briefly what I said before. The wildcat strike took place only because run-throughs were being innovated without proper consultation with the unions. Management took the attitude that this was their right, that all they had to do was to tell the unions they were going to go ahead with it and there was nothing the unions could do about it. Management claimed they could put these runs into effect during the closed period of the contract and that they did not have to be negotiated.

The recommendations of the Freedman commission, so far as a good many railroad workers are concerned, are just as important as any other fringe benefits and even more so. I would go so far as to say they are equally important as a raise in pay to some classes of service. I do not think that the men, particulary those in the operating groups, will be satisfied after all that has been said in the house, particularly during this crucial period, about the need for something to be done in regard to the recommendations of the Freedman report. I do not thing they will be happy if some action is not taken on them. It is not going to be good enough to say that the government or a committee is looking into the matter and will bring forward recommendations.

This amendment is very clearcut. I do not think it contains anything which could be considered to be offensive in any way. It merely introduces a formula for handling matters such as run-throughs, and it does not tie the company down to such an extent as to prevent them from introducing some of these innovations. Mr. Justice Freedman presented an explanation in his very lengthy report of the manner in which it would be decided

what were material changes in working conditions. If it is established what the material changes are and in what way they affect the employees and if the arbitrator decides that these changes should be negotiated, then my amendment would apply. I do not think there is any point in my going further into this matter. I will only say that I think it is very necessary that consideration be given to this amendment.

Mr. Nicholson: Mr. Chairman, when I had erroneously concluded that the hon. gentleman would make no further remarks after his introductory statement, I made some comments about technological change and said that it had been referred to by several speakers in this debate. I take the position now that technological change, to the extent that it relates to the railways and in particular to run-throughs, has been fully dealt with in the Freedman report. Technological change in the light of the recommendations contained in the Freedman report was dealt with in all the considerations of the conciliation boards. Reference is made to it in the reasons for judgment not only of more than one chairman but of other members of the board.

The Minister of National Health and Welfare in his remarks to the house on August 30, 1966, to be found on page 7855 of *Hansard* —both the former minister of labour and I the present minister have made statements to the same effect—commended Mr. Justice Freedman for his very worth-while study and for bringing to light the issues that were involved in the run-through inquiry. In his speech the minister said:

> Personally, Mr. Speaker, I have expressed fully my views on the Freedman report and the kind of guidepost it will establish in the field of industrial relations and labour relations in Canada. This problem cannot be ignored. It is a fact that there is concern among the workers that the institution of technological change during the life of a contract may have consequences in respect of their job security. They have urged that they have an opportunity to negotiate on these changes during the life of an agreement.
>
> Mr. Justice Freedman in his report made the proposal that the ideal solution of this problem is to permit the parties, the unions and the men, to work with proper procedures to cope with the problem. This is Mr. Justice Freedman's principal recommendation. He says that if this fails, legislation can be considered along the following lines: An arbitrator will be appointed to determine whether any change contemplated during the life of the agreement is a material change. Then if he concludes that it is not a material change, management is entitled to institute that change. If he concludes it is a material change, it is to be negotiated at that time or at the end of the agreement. That is Mr. Justice Freedman's proposal.

[Mr. Fawcett.]

> Hon. gentlemen will have read another report involved in this problem, namely the report of the conciliation board headed by Judge Little.

To which report I made reference earlier this afternoon. The minister continued:

> In my view there is an encouraging conclusion with respect to the Freedman report in that particular aspect of the conciliation board report, because there is a large degree of agreement between the union representative and the management representative on the way to cope with the Freedman-type issue. It has not been fully resolved but encouraging steps have been taken, and there is no doubt that further encouraging steps will be taken on a voluntary basis.

Further on some questions were put. The hon. member for Burnaby-Coquitlam, for instance, asked the following question:

> Did the Little commission not recommend legislation in this matter?

• (1:50 p.m.)

Then there is a further discussion that does not deal with this particular point. I suggest that since Mr. Justice Munroe felt it was premature to deal with this matter, since Mr. Justice Cameron felt the same way, and because there were obviously difficulties in the minds of all three members of the Little commission regarding the best way of implementing legislation at this time based on the Freedman report, partly because of the effect it would have on other industries and employees who did not have an opportunity of making their views known to Mr. Justice Freedman, we must be careful.

It seems to me that since all the matters that were involved in these five disputes are going to be dealt with by the parties in further mediation and discussion, even though one conciliation board went farther than the other four. I can say quite frankly that one reason we provided in the draft bill for a mediator was, so that one of them, if necessary, might devote special attention to this particular problem between now and November 15. There is another equally compelling reason for this provision. If the parties cannot, in line with the hope expressed by the Minister of National Health and Welfare, resolve this problem, then automatically, under the language of this bill, it will be dealt with conclusively by the board of arbitration.

While I am in full sympathy with the necessity for dealing with matters of this nature, I remain of the opinion that when we are dealing with a bill providing for continued conciliation, mediation and, if necessary, arbitration, the problem should be left to be dealt with in that way rather than

introducing affirmative legislation in the terms proposed by the hon. member. It is a fact that the amendment suggests the railways shall not do these things and then it goes even farther than the recommendations contained in the Freedman report. The amendment says that the employer shall not introduce or implement any technological innovation, development or change which materially or adversely affects the working conditions of the employees. This relates to shops, maintenance of way and other operations. It is far reaching.

In my opinion the proposed amendment to the bill introducing a new clause 7 is not in order. It is new, substantive law and is not a mere amendment to bring about a return to work of certain employees. It is much broader in scope. I have serious doubts about the legality of such an amendment. I say this with more confidence realizing that the matter will be inevitably dealt with when we come to subsequent clauses of the bill. I suggest, Mr. Chairman, that this amendment is not in order and that it goes beyond the scope of the draft bill which has been accepted in principle. Happily, however, the situation can be covered in the other way I have suggested. I believe that it can be covered in clauses 8 and 10 and I therefore rely more strongly on the point of order that this amendment has no legal standing.

Mr. Knowles: Mr. Chairman, while the minister was on his feet he dealt for the most part with the substance of the amendment although he did conclude with a question as to its validity under our rules. Perhaps I might be permitted to say a few words on both aspects with which the minister dealt.

First, may I say it does seem clear that we all agree as to the significance and usefulness of the Freedman report. We all favour something being done about it. The only difference is that some of us would like something done right away and others wish to postpone it to another day. May I say to the Minister of Labour that when we were called here to deal with the railway dispute, surely if we were called upon to consider any of the matters that brought about the impasse we were called upon to deal with all of them. One of the matters in dispute between the companies and the employees is the question of technological change or automation or the desirability of implementing the terms of the Freedman report. I submit, both on the count of substance and the count of propriety, that this question is definitely before us as part of this legislation with which we are dealing.

May I emphasize, Mr. Chairman, that it really is not satisfactory for the minister to say that the question of the Freedman report is covered in the bill because the bill refers, for future negotiations, to a mediator or a board of arbitration, all of the matters in dispute. Merely to say that in those future negotiations or in the dealings by the board of arbitration all of the matters in dispute must be covered gives no direction as to what the outcome of these negotiations or considerations will be. The government, even in its first draft of this bill, did not leave the wage question that way. Even in the bill in its original form there was a provision for a floor in the statute, namely, 4 per cent and 4 per cent for 1966. This was guaranteed. The government has been persuaded to go further so far as the wage question is concerned and provide 4-4-4-6, for a total of 18 per cent over two years. The legislation we are passing, therefore, so far as wages are concerned does not just say that wages shall be one of the matters in dispute and are therefore covered by instructions that there be negotiation or arbitration. We have established a certain floor with respect to wages.

We contend, Mr. Chairman, that the matters covered by the Freedman report are just as much in dispute in this whole impasse as are wages and therefore these matters should be dealt with in the legislation in the same way as we have dealt with the question of wages. With respect to the question of wages we have put a floor in the legislation. We content that with respect to the question of technological change there should be a floor or a minimum requirement put into the legislation.

• (2:00 p.m.)

Let me go at this in another slightly different way. Let me say to the minister that it is quite possible under the bill as it now stands, supposing nothing results from the negotiations, for the board of arbitration to consider the question of automation and technological change but to recommend nothing. The board of arbitration would have fulfilled the terms of the law. We have a guarantee that the board of arbitration will do something about automation and technological change only if we put a requirement to that effect into the law itself.

May I say to the minister and to all the ministers, with great respect, that in connection with this matter we are right where

we were with respect to the question of wages. I suggest that the 1950 precedent which my colleague the hon. member for York South cited earlier today applies again and applies with great force and emphasis.

Let me remind the minister and all the ministers in the cabinet that in 1950, on August 30, Mr. St. Laurent told me—I was questioning him on this point—that by its actions the then government had set a pattern and that the government believed that the arbitrator to be appointed under that year's back to work law would treat the hotel and water transport workers in the same way as the other railway workers were to be treated. Some members of the house accepted that. I was a bit of a sceptic and did not think that it would work. It turned out that Mr. Justice Kellock went by the law, not by what the prime minister had said on the floor of the house. So what parliament thought would be done—because it was parliament's motion—was not done because it was not provided for in the legislation.

I am not going to read again the quotations read this morning by my colleague the hon. member for York South, but I should like to remind the ministers, especially those who were here in 1950 or more particularly in 1951, of a very plaintive statement that Mr. St. Laurent was called upon to make on May 2, 1951, as recorded in *Hansard* at page 2616. This was on an occasion when I had moved an amendment to a motion to go into committee of ways and means which raised the whole question of the unfair treatment accorded to the hotel and water transport workers because they had not been protected in the legislation. There was a lengthy debate. The quotations from the debate of August 30, 1950, were repeated in that debate. Mr. St. Laurent spoke and toward the end of his speech he said:

> The matters remaining in dispute were left for the arbitrator.

Listen to this sentence:

> I may say I thought that, with our example before him, he might decide to treat them all on the same footing, but it was a matter that had to be determined by him. I believe it would be wrong for the government to ask parliament to vary the decision at which he arrived.

There, Mr. Chairman, was Mr. St. Laurent, eminent prime minister that he was, saying that because parliament had not written into the law what he thought would be the interpretation the arbitrator would accept there was nothing that we could then do about it.

[Mr. Knowles.]

I submit, Mr. Chairman, that we will find ourselves in the same position with respect to the whole question of automation and technological change if we do not put some clear direction into the statute. The only direction that is there now is that the parties when they negotiate must consider all of the matters in dispute, including automation. The only direction there now is that the board of arbitration, if one is set up, must consider among other things the question of automation. But that board of arbitration, having considered the matter, can make no recommendation whatever. Therefore a matter in dispute, one of the reasons that this parliament was called into session, will not have been resolved satisfactorily.

We are right back where we were, Mr. Chairman, with respect to the question of wages. Moral guarantees do not have the effect in this kind of situation that words in a statute have. Mr. St. Laurent learned that in 1950 and 1951. I would have hoped that this government would show that it had learned that lesson.

I say to the Minister of Labour that I support the amendment moved by the hon. member for Nickel Belt but I would be happy, as I am sure he would, to accept some other kind of wording. I would also be happy to have the wording put into some other clause, and the minister himself might come up with something more appropriate. I think it would be quite satisfactory if there were somewhere a direction to the board of arbitration to write into the collective agreements an implementation of the principles of the Freedman report in appropriate language.

In other words, we do not ask that the precise terms of the agreement be provided here, although my hon. friend has given guidelines which could be followed. But we do think it is not satisfactory just to say that the matters in dispute are referred to the arbitrator. This will not cover automation and technological change any more than the same wording covered the wage issue. I urge the minister to take this question very seriously. I think he will find that to some of the employees who are now out on strike this is a more serious issue than the issue of wages. The whole question of this bill being palatable at all does depend on some satisfactory dealing with this important phase of the matter.

Because the minister at the end of his remarks on the substance of this amendment raised a point of order—I do not know

whether it was a tentative effort on his part or whether he meant it seriously—I would like to remind him that when we were on second reading and sought to move various amendments having to do with the Freedman report the Minister of National Health and Welfare argued that the place to do this was when we were in committee of the whole on the bill. This is something which we have been through hundreds of times in this house. When we are on second reading the government tells us to wait until we get into committee of the whole, and when we get into committee of the whole the government tells us no, this is not the place either.

I submit that the government and the Minister of Labour have been arguing that the phrase "all matters in dispute" in the legislation covers automation and technological change, so that this idea does not go beyond the scope of the bill. The whole purpose of the bill is to deal with the issues which brought on the strike. One of those issues was technological change. The minister admitted that time and time again by saying that this was one of the matters in dispute. Therefore, because it is part of what is before us I submit that it is within the four corners of this legislation and that it is definitely in order to move this amendment.

I repeat—and I know from conversation with my hon. friend for Nickel Belt that he does not object to my saying this—that the hon. member would be willing to have some alternative form of amendment. But it is certainly not satisfactory to ask the workers to go back to work without any guarantee that anything will be done about the question of automation and technological change other than those questions being discussed. Moral guarantees, a desire that it should happen —these things are not good enough, as Mr. St. Laurent learned in 1950 and 1951. We think that the importance of this matter requires that there be appropriate reference to it in the legislation itself.

The Deputy Chairman: Order. Since the hon. member for Nickel Belt put forward his amendment the Chair has been considering its validity and unless there are other expressions of opinion to be put forward concerning the validity of this amendment the Chair is ready to give a ruling.

• (2:10 p.m.)

Mr. Pennell: Just a brief comment, Mr. Chairman. I am dealing not with the merits of the principle being put forward by the hon. member but rather with the point of order. In my respecful submission, this amendment in the form it is now drafted purports to enlarge the scope of the bill. If allowed the amendment would in effect be setting aside the provisions of the Industrial Relations and Disputes Investigation Act. It would permit a strike during the term of a collective bargaining agreement and on that very fundamental principle I respectfully submit that this would in effect, be an amendment to the Industrial Relations and Disputes Investigation Act of this country. If we wish to do this it should be done as an amendment to the general law, not to this one bill.

Mr. Olson: I intend to speak only on the point of order. I will say a word or two later about whether or not we agree with the substance of the amendment should it come before the committee.

On the point of order I believe the reasons outlined by the Minister of Labour and the Solicitor General in their submissions are not sufficient to justify the amendment being ruled out of order. Although the minister suggested it was out of order he did tell us that it might be dealt with in connection with clauses 8, 9 and 10. It seems to me that if it is wrong to introduce an amendment of this kind it cannot be argued that it may be dealt with in connection with clauses 8, 9 and 10.

Further, the preamble to the bill states among other things that the purpose and principle of this measure is to deal with the final settlement of terms and conditions of employment for the years 1966 and 1967. In the light of these words it seems to me we can introduce matters which deal with terms and conditions of employment, and job security certainly falls within this category.

While I do not agree with the wording of this amendment I believe we must certainly defend the right of the hon. member for Nickel Belt to introduce it and have it discussed. There can be no argument that a private member cannot move an amendment of this kind in connection with the bill before us on the ground that this is a money bill and so on. There is no superior competence in the hands of a minister. Any hon. member can move amendments of this kind.

There is, however, one difficulty which I see arising in connection with this amendment. The hon. member talks about the power of a conciliation board as set out in section 22(2) "of the act". But he does not say which act he has in mind. I think he means the Industrial

Relations and Disputes Investigation Act. However, the amendment does not say so. For this reason it is defective and the hon. member might wish to take it back and revise it accordingly.

It is possible too that the amendment might be out of order at this time because, while clause 7 is before us, the amendment does not deal with exactly the same subject matter within the strict rule on relevancy, and perhaps it should have been moved at some other time when we reach another clause in the bill. Nevertheless I believe the hon. member has the right to move an amendment on a subject matter of this kind at any point in the bill.

Mr. Woolliams: I never heard so much tergiversation.

Mr. Knowles: Mr. Chairman, I offered my submission on the point of order when I was speaking on the substance of this proposal, but may I say in reply to the Solicitor General, who objects to this amendment on the ground that it seeks to amend what he calls the statute law of the country, that the whole bill varies the provisions of the statute law, particularly in reference to the Industrial Relations and Disputes Investigation Act. Indeed, we do this all the time. Laws have an effect on each other, and merely to say that this amendment has an effect on some other statute does not make it out of order.

The hon. gentleman made one error in substance on this point when he said this amendment would apply to everything to which the Industrial Relations and Disputes Investigation Act applies. Not at all. It would apply the recommendations of the Freedman report only to the railway industry, as is made clear by the way in which this amendment is prepared and by the definitions in the statute.

In addition, as the hon. member for Medicine Hat has pointed out, if, as the minister says, it would be appropriate to move an amendment of this kind at some other place in the bill, then surely it would be appropriate to move it at any point so far as the rights of hon. members are concerned.

Mr. Pickersgill: Perhaps I should reply to the hon. member for Winnipeg North Centre on this point of order. In the first place, no one on this side of the house said in my hearing that an amendment of this kind could be moved to any part of the bill. What was said was that the subject matter could be dealt with elsewhere. That is a very different thing.

My hon. friend the Solicitor General said that this amendment goes beyond the principle and scope of the bill as established by the vote on second reading. It certainly does, because the scope of the bill was the resumption of the operation of the railways and this amendment seeks to import into the collective agreement which the bill asks us to establish the right to strike during the course of that agreement.

Mr. Knowles: Mr. Chairman—

Mr. Pickersgill: I listened patiently to the hon. member. Perhaps he will listen to me now and reply later if he wishes. Further, this amendment seeks to set aside—I do not say to amend—the ordinary law which applies to every other collective agreement under the I.R.D.I.A. It purports to dispense with the normal law and establish a special law.

Mr. Bell (Carleton): What is wrong with that?

Mr. Pickersgill: That might be all right, if it had been part of the principles and scope of the bill before second reading. In that case, of course, it would have been possible to do this. But this proposal seeks to alter the bill as established on second reading and in this respect I suggest it is beyond the scope of the legislation passed by the house, in consequence of which this committee does not have competence to change the rules which have been laid down. This is a fundamental rule applying to all committees and I rest my case on that.

Mr. Knowles: I apologize to the minister for having interrupted him. I was only about to ask him a question. Now he has sat down I will change it from a question to a statement. He said, without anything in his hand to help him make sure he was speaking correctly, that the purpose of this bill was to achieve a resumption of the operation of the railways. If he would pick up the bill and read the title on the front page he would find it says:

> An act to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between railway companies and their employees.

If he will read the preamble he will find that the purpose is set out again. Let me read

the third paragraph of the preamble. It reads in part as follows:

• (2:20 p.m.)

—having regard to the interests of the railway companies and the employees, provision be made for terms and conditions of employment for the year 1966, for the resumption of the processes of negotiation and mediation and for the final settlement of terms and conditions of employment for the years 1966 and 1967.

When we get into the body of the bill we find references to disputes, and this has been quoted time and time again by the Minister of Labour. In other words, I rest my case on the very point that the minister makes, namely, that we have to be in committee of the whole within the scope of the bill that was given passage on second reading. But the minister put in only half of the scope, which is to get the railways running again. The other half is to settle the matters in dispute. The minister does not argue that disputes are not included. Therefore I submit the amendment meets the test that the Minister of Transport has raised, namely, that it is within the scope of the legislation agreed to on second reading.

Mr. Pickersgill: If I may reply to that, since it has become a question, my reply is very simple. The purpose of the bill, as the hon. gentleman said, is to get the railways running again and settle the dispute. To seek to import into the bill a clause stating that once operations were resumed a further strike could be allowed to start a week later is totally contrary to the decision made. If we want to import that kind of principle into the general law of Canada with respect to collective agreements, that is another matter, but to make a special and different law for this one group of collective agreements would make it possible to have another national crisis, which would be a very odd way of carrying out the decision parliament has made on second reading. It is true that dispute is covered in the bill, but for us to seek to import this kind of clause into it seems to be not only beyond the scope of the bill but to be contrary to the purpose of the bill.

Mr. Diefenbaker: Mr. Chairman, what we in the opposition have been trying to do since Monday is to bring about a bill that will be effective, with justice and equity. I am trying to view this matter from the point of national interest and from a desire not to bring about legislation that will have dangers for the future inherent in it.

I have pressed the government to place provisions in this bill to implement the Freedman report. Within the last hour I have spoken to railway men, reasonable, responsible, rational men who want to do what is good for Canada. One of the things that they impressed on me is that it is going to be very difficult to secure adherence to the law unless something is done about the implementation of the Freedman report.

I am told the report is a best seller in the office of the Queen's Printer. It has become a standard work for employees and employers. Once more I advance this prayer for relief out of a desire to assure that whatever legislation is passed will not run the danger and possibility of not being followed.

I believe there should be a material amendment to cover the Freedman report or certain of its recommendations, but let us read this amendment and see what it means. Surely parliament is not going to pass an amendment to change the labour law of Canada to apply to one industry and to bring about the benevolent attitude that is inherent in this amendment. At the expense of taking up time I want to read the amendment which states:

Notwithstanding the provisions of any other act, the terms and conditions of each collective agreement to which this act applies are amended forthwith by inserting therein the following clause:

"The employer shall not introduce or implement any technological innovation, development, or change which would materially and adversely affect the working conditions of his employees until after he has negotiated the matter with the bargaining agent of his employees, and that if no agreement is reached, the matter shall be referred to a conciliation board as provided by section 22(2) of the act—"

I am not arguing the merits at the moment, but up to that point if the amendment were accepted it would be along the line that I advocated this morning. It is the next portion that I do not think parliament can possibly accept.

I want to see fairness and equity to the men who work. I do not have to provide references about fairness and equity to the men of the railways because I acted for them on more than one occasion without fee. Indeed, I was called to the bar of the province of British Columbia to defend a railroad man without fee and had to pay admission to the bar of that province. On that occasion it cost me $1,500 to be called to the bar in order to take the case of a man who was unable to pay legal fees.

Mr. Herridge: Would the right hon. gentleman permit a comment? I want to congratulate him for undertaking legal work on behalf of union members for which he did not receive a fee.

In lighter vein I recall that when I arrived to be called to the bar there were judges and benchers present. The assistant clerk will also remember the occasion. It was the only occasion, in the four or five different times that I was admitted to the bar, that everybody was there. It was amazing. When they put on a lunch in my honour I began to realize it was one of the costliest lunches I ever participated in.

I acted for these men, not the unions but individuals, when there was a wrong—having that feeling toward men who work on the railways or elsewhere. I ask, does anyone seriously contend that this parliament should, having altered the provisions of this bill, proceed to legislate as follows:

• (2:30 p.m.)

—and that if the employer introduces or implements the proposed changes without such negotiation and conciliation his employees shall have the right to strike immediately—

Let us be reasonable. This looks like the effort of some hon. gentlemen who were a little slow on Monday and Tuesday to gain some of the lost ground today.

—as if the collective agreement had expired and all other statutory requirements had been met.

Feeling as I do and being desirous of seeing this bill, if it is passed by parliament, work, I believe that type of amendment is not going to do it. I will support the amendment up to and including the words "as provided by section 22(2) of the act", but the latter part of it I will not accept. It is asking parliament to take a course that is fraught with the most terrible consequences.

I find it difficult to understand that we in this parliament should be asked to support something that would completely jettison the whole law of labour relations in respect of one branch. If the hon. gentleman who proposed the amendment will delete the words following the word "act", although I have not had an opportunity of consultation with my colleagues I feel that it could be supported. Why were these latter words included? I do not know. But being desirous of securing an end of the strike—right from the beginning I have tried to do everything I can to get the government to act—the government has made changes, but slowly, following the strongest representations. To accept this amendment would be something that this House of Commons dare not do.

Having said that, again I come back to the question regarding the Freedman commission.

Mr. Pickersgill: I wonder if the Chair would rule now on whether or not the amendment is in order? Then we could get on with the other clause at which point the right hon. gentleman could state his position.

[Mr. Diefenbaker.]

Mr. Olson: Mr. Chairman, on the point of order which has been raised with regard to whether this amendment should be admitted, I should like to address myself briefly to the remarks of the Minister of Transport when he suggested that the purpose and principle of the bill were to get the railways running. He then pointed out that the acceptance of this amendment could at some later date, in fact, almost immediately, interfere with that purpose. I agree that there are some defects in the amendment and if it were proposed and put to the committee in its present form I would find myself unable to agree with it and therefore would vote against it. But, Mr. Chairman, that is no justification for attempting to invoke the rules of procedure in this house to prevent the member moving it.

Because of the argument advanced earlier by the hon. member for Winnipeg North Centre that the terms and conditions of the collective agreements are referred to in the title and the preamble, and have been part of the whole debate since this parliament reassembled, surely the job security aspect of the terms and conditions of employment cannot properly be said to be outside the ambit of this bill.

Mr. Woolliams: Mr. Chairman, would you now rule so that we can get on?

Mr. Knowles: Mr. Chairman, I have a suggestion which I think would save time. I have discussed this matter with my colleague the hon. member for Nickel Belt who moved the amendment which is before us. Having discussed it and having listened to the suggestions which have been made, we feel the matter might be dealt with equally well by moving an amendment to clause 10(1), when we reach that point, as follows:

(c) instructing the board to determine the appropriate form of an amendment to the agreements implementing the recommendations of the report of the Industrial Inquiry Commission on Canadian National Railways Run-Throughs, dated November 17, 1965.

We believe that would deal with the situation equally well. If the house is in agreement, my colleague the hon. member for Nickel Belt would be prepared to withdraw his amendment.

The Deputy Chairman: Order. Do I understand that the hon. member for Nickel Belt is prepared to withdraw his amendment?

Mr. Fawcett: Yes, Mr. Chairman, on the condition that we will have the opportunity to bring forward something else.

The Deputy Chairman: The hon. member for Nickel Belt is withdrawing his amendment?

Mr. Fawcett: Yes.

Amendment withdrawn.

Mr. Lewis: Mr. Chairman, I should like to ask the minister to explain if he will, because I simply do not understand it, the words in clause 7(2), "notwithstanding anything contained in the Industrial Relations and Disputes Investigation Act or in the agreement". I should like to know what it is he is amending. While he is doing that, may I ask him also to look at subclause 1 of clause 7 which states "and ending on the day on which a new collective agreement entered into between the parties thereto in amendment or revision thereof comes into effect, or on December 31, 1967, whichever is the earlier." I know this ties two sections together but I do not know how else I can do it. Would the minister look at the final words of clause 8 which provide that in no event shall any such new collective agreement expire before December 31, 1967. Unless I am misreading it, and I well may be, or unless I am not understanding the clauses, it seems to me that on the surface there is a contradiction between clause 7(1) which says that the agreement can expire earlier than December 31, 1967, namely, on the day on which a new collective agreement comes into effect, and clause 8 which says it cannot expire before December 31, 1967.

I am rising to point out the difficulty I have had and to ask the minister to clear it up. The actual points in respect of clause 7(2) which I should like to raise with the minister concern the following words:

> The terms and conditions of a collective agreement to which this act applies, amended as provided by this act—

My opinion as a person who has read statutes is that I think what is meant by the words "amended as provided by this act" is that they refer not only to clause 6 but also to any amendments made by virtue of the machinery set up in clauses 8, 9 and 10. I should like to say to the minister, however, that there have been some people who have had concern that the words "amended as provided by this act" may be held to refer only to the amendments actually set out in this act, namely, in clause 6. I am not saying I agree with that interpretation. I am saying that the words as they now are interpreted by some people would be limited to clause 6. I would urge upon the minister that he consider making it simpler for those who perhaps are not ready to tie the whole group of sections together and add a few more words to clause 7(2) which will make that clear.

• (2:40 p.m.)

I am not drafting an amendment now and do not wish to move one, but this situation could be corrected by adding words to the effect that it would be amended as provided in clause 6 and in the light of the machinery provided in other sections. Those are not the words the minister would use, of course. This would make it clear that subclause 2 of clause 7 includes not only the provisions of clause 6 but also those which may subsequently be made as a result of mediation or arbitration, if the compulsory arbitration clause remains in the bill. Unless that is made clear there may be some difficulty about this and I think it would be worth while for the minister to give my suggestion some consideration.

Mr. Nicholson: Let me deal first with the point raised by the hon. member for York South in respect of subclause 1 of clause 7, which reads:

> Subject to this act, the term of each collective agreement to which this act applies is extended to include the period beginning January 1, 1966 and ending on the day on which a new collective agreement entered into between the parties thereto in amendment or revision thereof comes into effect, or on December 31, 1967, whichever is the earlier.

There may be a new collective agreement reached which might cover a period of three years. In fact, in discussions I have had with railway union leaders the possibility of three-year term contracts has been mentioned. What we are saying is that the collective agreements which are hereby revised will run until new collective agreements have been accepted or until December 31, 1967.

Mr. Lewis: Would it not be better to say "whichever is the later" rather than "whichever is the earlier"?

Mr. Nicholson: No, because this language makes it clear that the important date is the date on which a new agreement comes into effect rather than the date on which an agreement expires. If a new agreement is negotiated and accepted in November, for instance, then the extension is no longer necessary. An agreement could be entered

into in November or December 1966, or January, 1967, but failing that the agreement will run at least, till the end of 1967. This has been carefully considered, and I happened to discuss this particular language with the law officers at noon today in respect of another matter.

The second point raised by the hon. member relates to paragraph 2 of clause 7 which reads in part:

The terms and conditions of a collective agreement to which this Act applies, amended as provided by this Act—

This act now provides for one amendment in respect of clause 6 and in addition for an amendment as a result of negotiations. It also provides for an amendment by arbitration. I think the language is clear, but I will be glad to consider improved language if my friend could suggest some improvement.

The Chairman: Shall clause 7 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 8—*Railway companies and unions to negotiate.*

Mr. Diefenbaker: Mr. Chairman, I indicated this morning that I intended to move an amendment which I think, if accepted, will go a long way toward bringing about a sense of unity in our country in regard to carrying out the law. I am not going to traverse the ground I have already covered.

I have been quite interested in discussions I have had with railroaders as to the changes they would like to have effected in order to remove certain inconveniences. If these objections are not met they will ultimately lead to a sense of resentment and frustration. Let me advance two examples, the first of which involves a very small matter. Many railroaders have expressed to me the desire to have the pay days changed from twice monthly to every other Thursday. Such a change would actually cost very little. The total cost, according to estimates I have received, would be approximately $40,000 to $50,000. I am also informed that the wives of these railroaders are in favour of this change. From the vertical manner in which the hon. member for Verdun has moved his head, and he has made a study of this situation, I can only conclude that he agrees that this is a small matter of some importance.

The other example I wish to present deals with the health and welfare plan in respect of which there is a general feeling today that

if the railway companies were to absorb or pay the employees half it would be most acceptable. This would be a benefit to the employees and it would be non-taxable. Those are the kinds of things which, being now neglected, result in an accumulation of feelings that borders on resentment.

Everywhere I go railwaymen ask why the Freedman report has been left in cold storage. While it is true that it is being considered, that consideration has carried on for a long time. If we in this parliament were by statute, rather than by verbal declaration or vocal support, to add a clause which indicated that the Freedman report was going to receive not only consideration but action we would be going a long way toward assuring that the railway employees, when this bill passes parliament, will accept it and return to work.

I do not intend to press these things further, but hon. members know my feelings in this regard. I do suggest that unless we in parliament, with a deep sense of responsibility, provide something of a definite nature in respect of adopting the recommendations of the Freedman report, these men who are on strike will feel that we have deprived them of their right to collective bargaining by substituting compulsory arbitration. I ask the minister—I know he is very fair in the manner in which he endeavours to solve the problems that come under his jurisdiction—whether he will not recommend to the government the acceptance of an amendment along these lines:

• (2:50 p.m.)

That clause 8 be amended by substituting a comma for the period in line 11 and the following words be added:

"and that part of the collective bargaining to be undertaken will include provision for discussion and negotiation between the railways and the unions concerning the work changes, elimination of jobs, and general working conditions that may be affected by the introduction of technological and other changes."

That is not an arbitrary amendment; it is an amendment designed to bring about cooperation on the part of those concerned with the strike. I believe the cost of the strike is $15 million a day. When the men go back to work under law we want them to do so in the spirit that they have shown on so many occasions throughout the years.

This opinion is not based on personal observation. It is based on discussions I have had with responsible leaders of the labour movement and telephone conversations across this country in the last several days. I worked on this amendment during the night,

trying to bring about something that, if the house will accept it, will mean that we can all be united, as I see it, in this house and parliament can speak with the authority of unity.

That is what we started to effect. We brought about changes. We had to fight for them, but having fought for them changes were made. I will make no further appeal during this debate. The minister must know the festering disquietude of the men on the railways because of the failure up to the present time to implement this report. If the workers across Canada know now that when operations have begun the discussions and negotiations that take place will cover this field, we will go a long, long way toward bringing about that mutual trust without which no law passed by parliament can ever be effective if it is one that is coercive, determinant and ends rights. On the one hand we have the national interest and on the other the rights of free men to have in their work those amenities that most of us have.

Mr. Orlikow: Mr. Chairman, it seems to me that while the Leader of the Official Opposition has done very well in posing the problems which have arisen in the railway industry as a result of rapid technological changes and the tremendous effect these have had on the lives of railway workers, this amendment really adds nothing at all to clause 8 because that clause already says:

> The railway companies and unions shall forthwith enter into negotiations with a view to the settlement of any matters presently in dispute—

The Leader of the Opposition suggests that we add as an amendment, "that part of the collective bargaining to be undertaken will include provision for discussion and negotiation." This amendment restates what clause 8 already says. In years gone by there has been plenty of discussion among the companies and the unions. The reason we have had these difficulties, the reason for the stoppage at Nakina and the stoppage of the whole railway system was that the railways and the unions concerned could not reach agreement. When they could not reach agreement, and when the railway companies insisted on exercising what they considered to be their right to manage the system and to make changes unilaterally, the men exercised what they considered to be their right to stop work, to withdraw from service. I remember that the former minister of transport, now the house leader, when he was warned by the former member for Port Arthur that there would be a stoppage, brushed aside that warning. The minister said he had been told by the president of Canadian National Railways that there were no problems. They were certain they could put through this change and the men would accept it. Then we were faced that week end with virtually a complete stoppage of the C.N.R. system.

The reason this matter has to be solved now, I am convinced, the reason it cannot be put off, the reason it cannot be left to later negotiation and we must include in the bill a clause to cover the situation, although probably not the amendment moved a little earlier by my colleague from Nickel Belt and not this amendment because I do not think it is acceptable, is that it is quite conceivable—I am not suggesting for a moment that I speak for the railway workers because they have not authorized me to do so and I am not their spokesman, but I know railway workers—in my opinion that the bill as now drafted, with the changes proposed to clause 6, will be acceptable to a large number of railway workers. I am thinking of the monetary proposals contained in the bill.

However, the operating employees, particularly the members of the Brotherhood of Railroad Trainmen, are insistent and determined that changes be made which will guarantee them the rights which Mr. Justice Freedman expressed so eloquently in his report. I am not going to read those sections of the report now, but essentially Mr. Justice Freedman said that the workers on the railways have a right not only to consultation but to negotiation about material changes which the company proposes to make in their working conditions.

For the information of the Minister of Transport who does not seem to have read the report, I point out that Mr. Justice Freedman said that this could be accomplished in a number of ways. He said that the proposals he made could be accomplished first of all through the process of collective bargaining, which the unions have attempted to obtain and which so far they have been completely unsuccessful in obtaining, or by amendment of the Industrial Relations and Disputes Investigation Act or the Railway Act. For the information of the Minister of Transport, since Mr. Justice Freedman suggested that his proposal could be brought about by amending the Railway Act obviously he thought it quite conceivable and proper

that if parliament so desired we could make these changes only for the workers covered by the Railway Act and not for all workers covered by federal jurisdiction. But, Mr. Chairman, we have not done that. I will not at this time berate the government for not bringing in these changes. They have not done so and as a result we have a strike.

• (3:00 p.m.)

One of the main issues which brought about this dispute, as mentioned by my colleague the hon. member for Winnipeg North Centre, is the determination of the railway workers, in particular the Brotherhood of Railroad Trainmen, to have in their agreement or by legislation the right to negotiate, to bargain collectively, the right to say to the company: We do not accept that our members will be moved from Nakina to Winnipeg and from Winnipeg to Regina or Saskatoon next year unless it is done through consultation or through planning and with the approval of the workers concerned.

I think we need to change the provisions of this bill to include the basic principles which Mr. Justice Freedman enunciated. We need to do it now, Mr. Chairman, because I believe that unless we do so there is a distinct danger that the passage of this bill will not get the railways running in the very near future. However, I do not think that the amendment which the Leader of the Opposition has moved will meet the problem. It will certainly not meet the desires and the determination of the railway workers concerned. I would hope that at some point during our consideration of this bill the government will agree to a proposal made by any member of this house who has an acceptable proposal which would write into this bill a provision guaranteeing to the railway workers the basic principles enunciated by Mr. Justice Freedman, namely, the right of the railway workers to negotiate and to have their fair say about the changes in the working conditions under which they have to live.

Mr. Olson: May I say, Mr. Chairman, that so far as we are concerned we believe that the amendment proposed by the right hon. Leader of the Opposition asking for an addition to clause 8 is already contained in that clause. Nevertheless I think that if it would speed up the passage of the bill the government should very seriously consider accepting this amendment. As has been pointed out, clause 8 orders the railway companies and the unions to negotiate on all the matters presently in dispute between them. Surely the matter of job security as well as a number of other recommendations in Justice Freedman's report are among those matters presently in dispute between the unions and the railway companies. Therefore the adding of these additional words or even of an additional paragraph to clause 8 may be a little superfluous. However, it does not seem to me that it would do any harm or depreciate the value of clause 8 in so far as the workers are concerned.

Therefore, for the sake of passing this bill more rapidly and perhaps for the sake of spelling out the matter in more specific terms, even though they may be repetitious, so that the workers will understand that this is one of the things which the railways and the unions are being directed by parliament to negotiate, we would urge the government to accept this amendment.

Mr. Nicholson: Mr. Chairman, it is obvious, I think, to those who have been following this debate in the house that there is much merit in the proposal advanced by the right hon. Leader of the Opposition. In fact, it is directly in line with the remarks which have been made in this chamber by the Prime Minister, by the Minister of National Health and Welfare and by myself. We are all agreed that the issue of technological change having taken on such importance and the Freedman report having been brought in over eight months ago, we now have an opportunity to move ahead in this field through the medium of additional constructive discussions under an intelligent mediator, and if the mediator's efforts do not bring about the results which we hope will be achieved the arbitrator will now be able to deal effectively with this proposal.

I must say that I do not see the necessity for this specific amendment in view of the assurance which I gave last night and repeated again this morning. The hon. member for Kamloops speaking on behalf of his party last night asked me to give a specific assurance that certain matters such as possible reductions in take-home pay as a result of a 40-hour week need not be spelled out in the bill if the minister gave certain assurances to the house. He said, on behalf of his party, that it would not be necessary to spell it out in detail so long as they received a positive undertaking from the minister that this would be done and that it would be final. If there is any doubt about it, I am quite prepared to give a formal undertaking in this

house on behalf of the government that in the instructions that go to the mediator there will be a direction that when collective bargaining resumes under his leadership the same must include full discussion and negotiations between the railways and the union regarding work changes, elimination of jobs and general working conditions which may be affected by the introduction of technological and other changes. I give that undertaking now and, if the legislation is passed, I will implement it in writing to the mediator. Nobody need ever have any qualms on that score. It will be done and the government pledges itself to that course.

While I am in full accord with the expression of thought put forward by the right hon. Leader of the Opposition and others, I think the legislation is sufficiently comprehensive to cover the matter in the light of our undertaking. I therefore do not see the necessity for the amendment.

Mr. Diefenbaker: Mr. Chairman, I have done everything I can to get acceptance of the amendment by the government as part of the bill. The undertaking given by the minister is of course accepted by us at its true face value. I think, however, that to make the record complete we should have a standing vote on this question and in that way make our position clear. In his undertaking the minister has followed word by word the phraseology of the amendment which I moved. It is only because I want to underline the fact that in bringing this amendment before the house we have exhausted every recourse available that I am going to ask that the amendment in question be put.

• (3:10 p.m.)

Amendment (Mr. Diefenbaker) negatived: Yeas, 63; nays, 79.

The Chairman: I declare the amendment lost. Shall clause 8 carry?

Clause agreed to.

On clause 9—*Appointment of mediator.*

Mr. Brewin: I have an amendment to propose to this clause, Mr. Chairman. It is a very simple one and I offer it in the spirit of the suggestion made by the Prime Minister last night that if this legislation could be improved it should be improved. My amendment would simply substitute the word "October" for the word "November" in the clause. The clause now reads:

> The Minister of Labour shall appoint a mediator or mediators (hereinafter referred to as the "mediator") who shall forthwith endeavour to mediate the matters in dispute between the railway companies and the unions and to bring about agreement between them and who shall report to the Minister of Labour, not later than November 15, 1966—

My amendment would substitute the words "October 15, 1966".

> —on the progress of the negotiations between the railway companies and the unions.

The purpose of my amendment is to deal with one of the very serious grievances felt by the members of the railway unions with respect to this legislation. They have considerable doubt in their minds, from experience, about the value of continued negotiations as provided for by clause 8 with which we have just dealt. I hope they are wrong. I have heard various members of the government express the view that they are wrong in assuming that because compulsory arbitration is proposed by clause 10 the process of mediation and negotiation contemplated in clauses 8 and 9 will not have effective results.

Let me put it both ways. Suppose the result is successful. Surely this parliament should impart a sense of urgency to the mediation proceedings. I do not believe we impart any sense of urgency if we suggest that mediation proceedings should continue until November 15, 1966 That would cover a total of roughly ten weeks. I am aware, as all hon. members are, that there are complex issues to be decided. If the mediation proposals are given that spirit of urgency which the situation demands, then there is every reasonable prospect that negotiations can be concluded within the six weeks period the amendment would propose.

On the other hand, Mr. Chairman, if this process of negotiation is to be long drawn out and unsuccessful, as some of the union members feel from past experience, then it is just another exacerbating delay in the final solution of this matter. One of the great difficulties with labour relations, as anyone experienced in them knows, is the long periods of delay before decisions are finally made. I think it was my leader who referred to the ritualistic dance. Ritualistic dances may be all very well and they may be necessary, but they get tiresome if they are drawn out month after month.

I suggest it would greatly add to the attractiveness of this bill—I do not say it is too attractive—in the minds of those who are on strike if we provided evidence in the bill of a sense of urgency which is not in the legislation at the moment. Someone may say there

is a possibility that by October 15 these negotiations may have made admirable progress and yet be just short of a conclusive result at that date and that it would be a great mistake to dash suddenly into compulsory arbitration when real progress had been made. I agree, and I point out that that situation is adequately covered by subclause 2 which enables an extension of time if the mediator reports favourable progress. It may seem a small matter to substitute October for November, but I think it would be a symptom of the fact this house is ready to try to impart a sense of urgency to the negotiations. This is one of the grievances that has been in the minds of many workers. I know this from speaking to them. They feel this process has been delayed and delayed. Therefore I move:

That clause 9 of this bill be amended by substituting in the seventh line thereof for the word "November" the word "October".

• (3:20 p.m.)

Mr. Leboe: Mr. Chairman, speaking for this group may I say that we are not in support of the proposed amendment. We feel that now parliament has met reasonable time must be given. There is now a completely different set of circumstances confronting the people who are going to negotiate, and it is only fair to give them a little time to do their work and enable them to come up with something that they themselves have produced instead of having mandatory arbitration. Therefore we in this group are not prepared to support the amendment.

Mr. Nicholson: Mr. Chairman, there is no doubt about the urgency of this matter, but another very important principle is involved so far as the government is concerned and I am sure so far as the great majority of the members of this house are concerned.

All of us have said more than once, and said sincerely, that we believe in collective bargaining. During the past eight or nine days I have had the opportunity of meeting with the union leaders, sometimes for a few moments and on occasion for an hour or more in a session. I have some idea of the multitude and complexity of the issues which have to be dealt with. A study of the Freedman report is only one good example. If we are going to bring finality to this matter, the success of the mediation proceedings will depend to a large extent upon the man chosen as mediator.

I have given considerable thought to this question and I have discussed with my colleagues the person who I feel could do the best job. While I cannot appoint any such person until the proposed bill has become law, because of the urgency which exists we would be dilatory in our duty if we did not canvas the possibility of getting the man we consider most competent for this job before he became tied up with other commitments. We would want him to start as soon as possible and continue the efforts of negotiation and mediation.

The bill has been drawn with this in mind, and it is not necessary for the mediator or mediators to wait until November 15 before considering the matter. To one listening to the hon. member for Greenwood that might be the conclusion. The bill is deliberately drawn to make provision for this situation. What the clause says is:

The Minister of Labour shall appoint a mediator or mediators (hereinafter referred to as the "mediator") who shall forthwith endeavour to mediate the matters in dispute between the railway companies and the unions and to bring about agreement between them and who shall report to the Minister of Labour—

Then the bill does not say on November 15 but "not later than November 15". If the mediator reports that the negotiations are fruitless, then he does not have to wait until November 15; that would be absurd. We have in mind as the mediator a man who, if this bill is passed, will I am sure meet with—I cannot say unanimous acceptance—the overwhelming support of this committee. He is prepared to take on the job and he may well need, particularly in view of the technological aspects of this inquiry, until November 15. He is certainly likely to need a longer period than until October 15, and it is for that reason that we oppose this amendment.

Mr. Pickersgill: Mr. Chairman, I should also like to suggest another reason that I think would make it inadvisable to put this kind of restricton upon the time. It is true that it could be extended by agreement, but I see no advantage in putting this restriction into the bill when there seems to be one obvious reason that the period should be until November 15.

That reason is that as soon as this measure has been accepted by the house, if it is, it is my intention, as has already been indicated by the first reading given to the bill, to introduce legislation which, notwithstanding the observations made earlier today by the hon. member for York South, the government believes will have the effect of giving the railways greater freedom to conduct their operations in a way which we hope, believe

and expect will give them reason to feel, not right away of course but during the course of 1967, that they are in a better position to bargain successfully with their workers without imposing as a background another direct charge upon the taxpayers of Canada.

I do not dissent from the position expressed earlier today by the hon. member for York South that there are some kinds of transportation services that the railways are expected to provide. I am not seeking to debate the bill but, just as an illustration of the reasons for the desirability of this delay, in the bill we are asking parliament to authorize a proper costing of these services that are performed by the railways for national, public or social reasons.

The railways will know that they are going to be remunerated by the taxpayers for these services, and I think that this is a good and sound principle. It is not fair to put a charge on other shippers just because the railways are compelled by parliament to perform unremunerative services which are socially or economically desirable for the rest of the community. That was the principle which was enunciated. This means that the railways will know more certainly that they will be remunerated for these services and that the remuneration will be properly calculated. They will be able to count on that.

I think it is also most desirable that those services which could and should be remunerative and which are comptetitive should be run in a businesslike way instead of becoming a drain upon the taxpayers. But until the railways are in a position to conduct their business as other carriers are permitted to conduct theirs, they are not in an adequate position to bargain effectively.

I realize that this other measure is not going to get through the house between today and tomorrow. Indeed, it would be shocking if parliament were to adopt it within that short space of time. Nevertheless I hope that we will proceed with all due expedition and give the bill passage, possibly with some amendment, even though this will take some weeks. These things will be going forward at the same time as this period is running.

I feel that if the collective bargaining and mediation provided for in this bill are to have any kind of meaning, negotiations must go on beyond the reasonably anticipated period for the final passage of this legislation. The railway companies will then know what are the circumstances in which they are operating and will have some capacity to bargain effectively. For that reason I think it would be unwise, since in all human probability October 15 would be too close to that other date, for hon. members to accept the amendment moved by the hon. member for Greenwood.

• (3:30 p.m.)

Mr. Olson: Mr. Chairman, having listened to the Minister of Transport I am in a position to realize how proper the amendment is. As he went on to list all the difficulties it became obvious to me that if we must wait to assess all the benefits which will flow to the companies from the complicated legislation we are to deal with here, the mediation will be protracted long after October 15 or even November 15.

Had the minister been really logical he would have moved his own amendment asking for mediation to continue until December, January or even next March. The point I am making is simple. Direct negotiations, with a mediator, between the railway companies and the unions have failed for many years. They will fail this time, and after they have failed the issues must go to arbitration. It seems to us to make a great deal of sense that we should reach a settlement of the matters in dispute as quickly as possible. Instead of talking for two months before going to arbitration, the mediation period ought to be cut as short as possible in order to get on with arbitration. I shall not continue any longer because I think we should proceed with the legislation as quickly as possible.

Amendment negatived: Yeas, 9; nays, 131.

Clause agreed to.

On clause 10—*Regulations.*

Mr. Knowles: Mr. Chairman, without agreeing to the desirability of having clause 10 at all I should like to move another amendment, and in doing so I invite the committee to return seriously and sympathetically to the question of the Freedman report recommendations.

It has been agreed on all sides that this matter can be discussed during the negotiations which will follow the passing of this bill and that they can be gone into if necessary by the board of arbitration. The Minister of Labour and some of his colleagues have given an assurance that this is what they want done. I am still conscious of what happened in 1950 when Mr. St. Laurent wanted something done which Mr. Justice Kellock felt the act did not give him authority to do. But we are agreed that one of the issues in dispute is

the question of technological change and that it is one which can come under consideration.

We feel, and in this I think we are expressing a view held very strongly by the workers who are out on strike, that it is not good enough just to have the assurance that this matter will be discussed. There should be some assurance that action will be taken. The government has already accepted the proposition put forward both inside and outside the house that it was not good enough to leave the issue of wage rates for 1967 merely as something to be discussed. It was felt there should be some floor. We suggest it is similarly not good enough to leave this other issue, this burning issue, merely as one the discussion of which is guaranteed.

I remind the committee that this matter has been discussed at length for a long time. Judge Robinson, chairman of the conciliation board in 1962, urged that the problem be placed before parliament and dealt with by legislation. In 1962 the Brotherhood of Railroad Trainmen, and perhaps others, asked for an industrial inquiry commission to go into this issue. There was a wildcat strike on the C.N.R. in 1964. There was the Freedman report on November 17, 1965, the terms and recommendations of which have become almost a bible, referred to time and time again.

Then there is the report of Judge Little who headed one of the boards in the current dispute, a report in which legislation by parliament was recommended. How many times does this matter have to be discussed and put to arbitration before some action is taken? I say again that this is one of the most important issues involved. It is just as serious as the wage issue. Indeed, for many it is even more serious.

Whether we approve or not, parliament has grappled with the wage issue and I recognize that parliament must deal with this matter if it expects the men to go back to work. We urge the government to recognize that this other issue is just as serious and, to many of the employees, more serious. We have had discussion of this matter on other clauses. Discussion took place on the amendment which the hon. member for Nickel Belt put before the committee and later withdrew. It took place on the amendment proposed by the Leader of the Opposition. So it is not necessary to carry on at length.

• (3:40 p.m.)

But I dare to suggest that as a result of what has already been said we have come up with another amendment that meets some of the objections made and which I seriously ask the minister and the Prime Minister to consider. When I asked my hon. friend to withdraw his previous amendment I read the wording of another one which I had drafted. Since then I have tried to improve that draft and am prepared to move it as an amendment inserting a new subclause 1(c) in clause 10.

[Mr. Knowles.]

As clause 10 is constructed it sets out a provision for what the government may do after a mediator has reported. In other words, under clause 8 we accept the fact that in their negotiations the parties can discuss the Freedman report, and if they come up with an agreement that is fine and nothing more needs to be done. But the whole purport of clause 10 is to give the government power under regulation by order in council to take whatever steps may be necessary if satisfactory conclusions are not reached under clauses 8 and 9.

We suggest that if the point is reached where the mediator reports there is no agreement on the question of the Freedman recommendations, then the government should have the authority to instruct the board of arbitration to deal with that issue. At the point I have mentioned I believe the government should have power by order in council to put this matter in the hands of the board of arbitration with a guideline or minimum standard that must be met. Therefore to meet this condition and improve the bill in one of its main deficiencies I move:

That clause 10 be amended by inserting therein, immediately after subclause (b) of clause (1) thereof, the following new subclause (c):

"(c) instructing the board to determine and provide in an appropriate form, an amendment to the collective agreements to which this act applies implementing the recommendations of the report of the Industrial Inquiry Commission on Canadian National Railways Run-Throughs, dated November 17, 1965."

This amendment does not write in detail the terms of such an item for a collective agreement. It does not include anything which might offend the Leader of the Opposition, as did the previous one. It leaves it to the board of arbitration to draft the amendment to the collective agreements, but just as we have set a floor under wages, so it sets a minimum that must be met. That minimum would be an inclusion in the collective agreements of an appropriate form of the recommendations of the Freedman report.

I recognize the earnestness with which the Minister of Labour has dealt with the problem of automation and technological change. I recognize that he found it not very pleasant to oppose the amendment to clause 8 moved by the Leader of the Opposition. I feel he wants to deal with this matter, and just as the government has accepted the proposition of a floor with respect to wages I suggest it should accept the proposition that there be a minimum so far as automation and technological changes are concerned.

When the government agreed to the floor under wage rates in 1967 and to the 18 per cent total package it made its bill a little more palatable and acceptable to many of the workers, but there are many of them who also consider this a serious point and to whom the bill would be a lot more palatable if they knew that as the result of the negotiations and arbitration that may yet take place something will be done about this important question. I urge the minister to consider the amendment sympathetically.

Mr. Nicholson: Mr. Chairman, in view of the observations that I made earlier when commenting on the persuasive arguments advanced by the Leader of the Opposition, and in view of the firm assurance I gave hon. members that in the instructions to the mediator and, if necessary, the eventual instructions to the board of arbitration, we would direct specific and urgent attention to the technological change problem as dealt with in the Freedman report, I see no necessity for this amendment. The position is quite clear, and for that reason we oppose this amendment.

Mr. Knowles: I wonder if the minister heard both the hon. member for York South and me remind him of what happened in 1950. The Prime Minister, the Secretary of State for External Affairs and the Minister of Transport were here at that time and heard Prime Minister St. Laurent give the assurance that certain things would be done, but it turned out that Mr. Justice Kellock said he would have to be guided by the provisions of the statute. In those circumstances, what use is the assurance if it is not included in the statute?

Mr. Nicholson: Of course I listened to the hon. member for York South, but the circumstances in this case are entirely different. Mr. Justice Kellock was appointed an industrial commissioner under the provisions of the Industrial Relations and Disputes Investigation Act. This bill, if passed, authorizes the Minister of Labour to appoint a mediator, and I have undertaken to give that mediator specific instructions.

Mr. Lewis: Apparently we have failed to make our point clear to the minister. Two things can be done. One is that the minister in his advice or instructions to the board of arbitrators may say, "You are hereby instructed to deal with this matter." I have no doubt in the world that the minister will do that. He has given an assurance that he intends to tell the board of arbitration to deal with the matter of the Freedman report, but I respectfully suggest to him that that means the board of arbitration would then be considering precisely the same things as Mr. Justice Freedman considered. I can again go over the ground in respect of the need for it and how to implement it.

On the other hand, there is another thing which can be done; that is, that the minister be given authority by this parliament to say to the board of arbitration, "You are not merely to deal with this matter, but you are to come up with certain actual clauses in the collective agreement implementing the recommendations of the Freedman report". The minister refuses to recognize the obvious and important distinctions between the two. His assurance—and I use the term with the reservation which I am sure the hon. member for Winnipeg North Centre does—so long as it is not in the bill, amounts to no more than an assurance that he will tell the board to deal with it. The board may decide to do nothing about it. There is nothing in the law which requires that it be done. If you want, as you do, to assuage the fears the workers have on this point and make clear that something definite will in fact be done, then this is the way to do it. If the minister can indicate that he has some other way of doing it, then I am sure the hon. member for Winnipeg North Centre will be glad to withdraw this amendment and let the minister place an amendment before us.

• (3:50 p.m.)

I say to the minister as emphatically as I can that his assurance, sincerely given and accepted by this house, is not of the slightest value in this situation, because his assurance can go no further than ask for more discussion and more deliberation. What the workers, and particularly the Brotherhood of Railway Trainmen, require is an assurance in this act that the Freedman recommendation

will be implemented in an appropriate form, decided upon either by the mediation board or, if mediation fails, by the board of arbitrators. That assurance can be there only if it is written into the bill.

I say to the government, as did the hon. member for Winnipeg North Centre, that this is just as important as the wages. A few moments ago I was called out of this chamber and informed, not by a member of the committee with which the minister met, but by a lawyer for the Brotherhood of Railway Trainmen, that he has been on the telephone with the union office and has been informed that this question of assurance in the bill that the Freedman report be implemented is of the utmost importance to his members who now are on strike.

There is no reason that this could not be done. How many more times must we investigate this problem. The hon. member for Winnipeg North Centre has indicated how many times this has been before tribunals. It was before a board in 1962, and then there was the wildcat strike in 1965. Mr. Justice Freedman made a thorough investigation and report. There was a committee of the house some years ago which came to the same conclusion. Surely we have had enough inquiries and investigations. I have not read a single criticism, even from business, of the particular recommendations Mr. Justice Freedman has made; perhaps there have been some, but I have not read them. Certainly most people have recognized that the Freedman recommendations are a great advance in management-labour relations.

I suggest we have had enough inquiry. The thing we should do in this bill is instruct the arbitrators to implement the Freedman report. There is a big difference between the assurance the minister has given and the purpose and purport of the amendment now before the committee.

Mr. Nicholson: Mr. Chairman, I do not wish to prolong this debate, but I should like to point out that the Freedman report, as is clear from the passage that I read from the remarks of the Minister of National Health and Welfare, does not come up with a definite formula. The commissioner says that the best way to solve this difficult problem is for the parties to get together and try to incorporate a formula in an agreement; and if that fails, then legislation may be necessary. We are going one step forward. This is the first serious negotiation in which the railways and their employees have been involved since the Freedman report was brought down, and we are saying in this legislation that if the parties cannot resolve it, it is an outstanding issue, then it will be arbitrated.

Judge Munroe, whose other recommendation we all accept, said that for him to recommend implementation by legislation at this time would be premature. He makes that clear.

Mr. Lewis: That is not what Mr. Justice Munroe said, Mr. Chairman. The minister interrupted me the other night and gave the impression that that was what he said. He does not say "implement by legislation". He said it was premature for him to accede.

Mr. Nicholson: That is what I said. Mr. Justice Munroe said that in the circumstances and pending completion of the study—the study being made by the Department of Labour—he thought it would be premature to accede at this time to the request of the union. As I said, we are providing here for a period of additional study and negotiation before final arbitration. In my humble opinion that is much more appropriate than the amendment proposed by the hon. member for Winnipeg North Centre. He says:

> —the following new subclause (c):
> instructing the board to determine and provide, in an appropriate form, an amendment to the collective agrements to which this act applies implementing the recommendations—

And so on.

There was no clear recommendation in the Freedman report that if they could not agree there should be a change in the act. That is not what Mr. Justice Freedman said. This is a departure from the Freedman recommendation.

Mr. Thompson: Mr. Chairman, we are not in a position to support this amendment. I should like to remind members of the committee that this amendment is committing the house to the recommendations of the Freedman report. This house has neither debated nor studied the recommendations in the Freedman report, and anyway as the minister said it is not intended as a final formula. It is not the purpose of the house to force upon any arbitration the over-all recommendations of that report. According to this amendment, parliament is being put in the position of an arbitrator, and this is not the business of the house at this time.

I find it difficult to understand the argument raised by the hon. member for York South and the hon. member for Winnipeg

North Centre, because it seems to me they are asking us to impose upon the further negotiations which are to take place recommendations which I really do not believe they are convinced should be imposed or agreed upon at this time in this way. I believe it would be completely wrong to include this type of amendment in this legislation which we are considering now.

Some hon. Members: Question.

Mr. Knowles: Mr. Chairman, may I say a word in reply to the hon. member for Red Deer and the Minister of Labour at the same time. The hon. member for Red Deer says that this is imposing a condition in advance of negotiations. The Minister of Labour says that we are departing from Mr. Justice Freedman's recommendation which was to the effect that negotiations should be tried first and that only if negotiations failed should there be legislation.

• (4:00 p.m.)

May I say to both gentlemen that if they will look at this amendment in the context of the act they will see that it calls first of all for clauses 8 and 9 to become operative, and this is where provision is made for negotiation and mediation. It is only after failure to resolve this issue by negotiation or mediation under clauses 8 and 9 of the bill that clause 10, which, by the way, is a permissive clause, comes into play, whereupon the Minister of Labour may recommend to the governor in council that a regulation be passed giving this authority to a board of arbitration.

I submit that we are right in line with the proposals set out by Mr. Justice Freedman, namely that if there cannot be a successful conclusion to this issue by negotiation under clauses 8 and 9 then this parliament should say: We have had enough discussion about this issue and it is time for this to be implemented.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: All those in favour of the amendment will please rise. Those opposed to the amendment will please rise.

Amendment (Mr. Knowles) negatived: Yeas, 15; nays, 125.

The Chairman: Shall clause 10 carry?

Mr. Nicholson: Mr. Chairman, this morning I gave an assurance to the committee that when we reached our consideration of clause 10 I would move an amendment. I do so now in the following terms:

Add subclause (3) to clause 10 in the following terms:

(3) Any board of arbitrators appointed under paragraph (a) of subsection (1) shall not provide for a reduction in any wage rate or basic daily rate established by section 6.

The Deputy Chairman: Order, please. Shall the amendment as moved by the hon. Minister of Labour carry?

Mr. Olson: Mr. Chairman, I think we can accept the spirit and intent of this amendment, but perhaps the wording could be improved slightly. Will the minister consider including the words "award, decision or report" before "any board of arbitrators" so that the amendment would read in part:

(3) Any award, decision or report of any board of arbitrators appointed under paragraph (a) of subsection (1) shall not provide for a reduction in any wage rate or basic daily rate established by section 6.

It seems to me that it is the award, decision or report coming from a board of arbitrators that might make a change.

Mr. Nicholson: Perhaps those words would clarify the wording of the clause because it is the award, decision or report which might provide for a reduction. We have no objection to such a constructive suggestion from the hon. member for Medicine Hat and we are prepared to accept it.

Mr. Lewis: Mr. Chairman, the hon. member for Medicine Hat has made a useful suggestion to improve the language, but surely the word "report" is unnecessary. It is the award or decision that could result in a reduction.

Mr. Nicholson: That suggestion is also acceptable.

The Deputy Chairman: As I understand it the amendment as amended would then read as follows:

Add subclause (3) to clause 10 in the following terms:

(3) Any award or decision of any board of arbitrators appointed under paragraph (a) of subsection (1) shall not provide for a reduction in any wage rate or basic daily rate established by section 6.

Amendment agreed to.

The Deputy Chairman: Shall clause 10 as amended carry?

I recognize the hon. member for Villeneuve.

Legislation Respecting Railway Matters

Mr. Brewin: Mr. Chairman, I believe you recognized me. Am I not right in that regard?

Some hon. Members: No.

Mr. Brewin: I am only asking for a direction from the Chair. Someone informed me that the Chair had recognized me.

The Deputy Chairman: Order, please. I recognized the hon. member for Villeneuve.

Mr. Caouette: Mr. Chairman, obviously the spelling of Villeneuve is not the same as the spelling of Greenwood and it does not sound the same.

• (4:10 p.m.)

[*Translation*]

Mr. Chairman, clause 10 of Bill No. C-230 deals with compulsory arbitration and we can find in subclause (2) that:

(2) In the event that a board of arbitrators is appointed under paragraph (a) of subsection (1) and decides any matter not agreed upon between a railway company and a union at the time of its decision, the collective agreement to which this act applies between the railway company and the union shall be deemed to be amended by the incorporation therein of such decision—

That is where there is compulsory arbitration.

Yesterday, we had comments on, and opposition to, this compulsory arbitration, from certain leaders. For my part, I put the question to the hon. member for York South (Mr. Lewis) last night, as recorded in the right-hand column of page 7848 of the official report:

In the name of the freedom of the workingmen on the railways, or of any workingmen in Canada, the hon. member is strongly opposed to compulsory arbitration. Would he also be opposed, for the same reason, to the compulsory check-off which is entirely against freedom of any workingman who does not want to belong to any union in Canada?

The answer of the hon. member for York South, as recorded in the left-hand column of page 7849 was as follows:

In my own opinion it is not, and I therefore support deduction of union dues.

He did not say compulsory dues or deductions. I had put before him the question of compulsory deductions.

Now, Mr. Chairman, among the objections we receive, we could read a communication issued by the president of the Canadian Labour Congress in a press release dated August 30. He said:

The proposed legislation to end the Canadian railroad workers' strike is a coercive measure which is to the credit neither of the government that introduced it, nor, if it should be passed, of Canada. Its major objective is to coerce free men into working against their will—

Mr. Chairman, when I see such a statement by a labour leader with Mr. Jodoin's standing, I can but question the sincerity of such a man. When we refer to union check-off and compulsory dues and we object to them, Mr. Jodoin and other labour leaders claim foul play and cry democracy. It should be remembered that the Canadian railroad workers have stopped working quite legally, there is no question about that. But they are being placed in a position of having to choose between compulsion and refusal to submit to legislation they know is bad.

Mr. Chairman, in the case of the Canadian railroads, as the minister is aware, the unions, whichever they were, forced the government and the employers to deduct compulsory union dues to such a point that a railroad employee may not even keep his job if he fails to pay his union dues, if he fails to go to a certain bank when he gets his pay and his union dues are not paid up, he loses his job, not because he is fired by the company that hired him, but because the union boss decides that such a worker is no longer entitled to work, precisely because he has failed to pay his compulsory dues.

The worker is no longer entitled to work, precisely because he has failed to pay his compulsory dues to the union.

Mr. Chairman, it is time such hypocrisy is bared, that such notorious hypocrisy is revealed to Canadian workers who are being exploited by such people.

When we mention compulsory arbitration, the people of the New Democratic Party rise against the notion; it is a direct attack on union freedom; but when the unions force workers to join the union in order to be entitled to earn their daily bread, is that no longer dictatorship? Is this respect for personal freedom?

Mr. Chairman, I am also against compulsory arbitration; I am against compulsory union dues; I am against income tax deducted at the source from workers' pay cheques.

I want a worker who earns $100 to get $100; let him spend his earnings as he sees fit; let him pay his union dues himself; let him pay his income tax himself; let him pay himself for what he wants or what he expects from the economic or social life of his country. But when I see labour leaders writing to us

—like this one from the Canadian Brotherhood of Railway, Transport and General Workers, London, Ontario, did on August 30, 1966. What does Mr. Gallagher, secretary of that organization have to say?

[*English*]

—that the leaders of the federal political parties in Canada be advised of our complete opposition to compulsory arbitration, or any legislation aimed at forcing us—

The unions.

—to accept anything less than a settlement of all our demands, on a basis acceptable to a majority of our members across Canada.

[*Translation*]

Union freedom is increased, I agree, but freedom of the individual is sabotaged at its base. This, Mr. Chairman, is to show that I would object to clause 10 if union leaders were ready to forget compulsory union deductions. I would object to that myself but if union leaders want compulsory measures in order to force people to work according to the dictates of certain union leaders, Mr. Chairman, then I will vote in favour of clause 10 which calls for, orders, and recommends compulsory arbitration.

When we see these compulsory measures right and left—I was reading a circular the other day put out in the province of Quebec by some of my old friends, staff members of the paper titled *Vers Demain,* which stated:

Why all these strikes? Actual reasons:

Give unions importance and power; put families out in the street; ruin landlords and businessmen; hinder police protection; create general dissatisfaction, forerunner of revolution; promote class struggles, in all spheres, including religion; stir up an atmosphere of confusion, favourable to revolutionary action; enable revolutionaries to carry out riot exercises; actually launch communist revolution; have the enemies of revolution thrown in prison, under the pretext of protecting the public.

This same *Vers Demain* paper stated last month:

We demand that the Quebec parliament take five necessary measure toward the recovery of public freedom and security:

1. Abolition of compulsory union contribution.

This is what unions are asking parliament or government to take out of its bill No. C-230, to delete "compulsory" from the bill.

2. Abolition of the right to strike in the public services.

When we had a strike in the hospitals of the province, Mr. Chairman, do you think what happened was something to be proud of, letting people out of hospitals because some union leaders in the province of Quebec had decided that hospitals must close down? Old people turned into the street because the union leaders had decided to get them out of the hospitals. And the public authorities tolerate such a situation resulting precisely from the compulsory which those people demand to help themselves and not to serve the Canadian people.

3. Picketing to be prohibited in all strikes.

4. Hospitals to be handed back to private institutions, religious or medical.

Mr. Chairman, those are recommendations which the newspaper *Vers Demain* made throughout the province and I endorse them. I do not endorse everything that the people of *Vers Demain* do, but when it makes sense, when they fight for the respect due to man, I do. To respect an odourless, colourless, tasteless organization does not appeal to me.

But the people who are part of the organization, for instance, the human being, the worker, the farmer, the settler, the white-collar worker, the physician, the professional man, anyone deserves respect and no one, no labour leader has the right to go against the freedom of the individual. No one has the right to prevent a Canadian from earning an honest and decent living.

Within the unions that right is not recognized. If one does not belong to the union, he does not have the right to work; on top of this, you have to pay a premium to belong to the union. This was the practice in Sudbury and in Rouyn-Noranda. In fact, when men were sent from Rouyn to Sault Ste. Marie, the union charged $50 to $100 to allow a worker into the union. It was compulsory, a condition which a man had to accept in order to be allowed to earn his living.

Mr. Chairman, as I indicated in my press release, the time has come to unmask some of the union leaders. This does not mean that we are against the unions. I say to the people and the workers: belong to the unions, but control them.

When I meet railwaymen in Rouyn-Noranda working for the C.N.R. or the Ontario Northland Railway, they tell me: since we made union contributions compulsory, we have had no service from our union leaders. When union contributions are no longer compulsory, the union leaders will have to take care of the workers and serve their best interests, instead of exploiting them and allowing the situation to reach the point where parliament must be recalled to draw up a bill in order to try and force people to accept working conditions, and force the employers

to accept the unions' point of view, and so forth.

Mr. Chairman, when the Canadian economy is such that each individual can develop according to his aspirations, then we will hear no talk of compulsion, but of personal freedom, secure in the knowledge that Canada is able to take care of all its population.

Mr. Marchand: Mr. Chairman, I hardly think the public and the house would understand if we were to take time out to reply to the diatribe of the hon. member for Villeneuve (Mr. Caouette) woven of half-truths, misinformation and a certain number of prejudices dating back to the previous century.

Let us say, Mr. Chairman, that I only wish to indicate that, at the first opportunity, I shall try to reply point by point to the statements made by the hon. member for Villeneuve.

Mr. Caouette: Mr. Chairman, I could always follow the hon. minister to give him a few pointers on the proprieties toward Canadian workers.

• (4:20 p.m.)

[*English*]

Mr. Brewin: Mr. Chairman, I appreciate the fact that the committee would like to get through with this matter as quickly as possible, but I have an amendment to make which I make seriously because I believe it will improve the legislation, make it more workable and acceptable; and I believe furthermore that it is in accordance with the principles accepted by all quarters of this house. The amendment that I propose, Mr. Chairman, adopts as a basis or floor for negotiation and arbitration provided for by these subclauses of clause 10 the recommendations made by the chairman of the board of conciliation in matters other than wage issues. As is probably known to all hon. members of this house, Mr. Justice Munroe and Mr. Justice Cameron included in their recommendations not only the wage provisions which we have fully discussed in this house but a number of what have been described as fringe benefits. These recommendations included such matters as improvement in annual vacations, insurance and unemployment benefits, bereavement leave, statutory holidays and other matters of this sort.

One of the reasons for which this bill, when it was originally introduced, ran into such a hostile reception from many people, including those in the railway unions and the people affected, was their belief that the effect of this bill was to take away even those favourable recommendations which had been approved by these conciliation boards. The reason for this hostility was not only the monetary issues which we have discussed and which may have been important, but also the feeling that these other matters which had been discussed at length and in a sense judicially determined as being appropriate were not once again to be made a subject of negotiation and taken away from them.

The argument has been made that these matters should be left to collective bargaining and arbitration. I agree with that, but if this matter goes to compulsory arbitration then I suggest that the very same principle applies here as has applied to what we have done with the wage issue. In the wage issue we have said that the basis, the floor or the foundation—I am using the words which have been used by ministers in this house—which the arbitration tribunal decided upon should not fall below the standard already judicially approved by the boards of conciliation.

The same thing was said in regard to wage proposals. We were told that we should leave the 1967 wages to conciliation, discussion, mediation and arbitration. This committee is well aware that in order to move toward making this bill acceptable we had to enunciate a principle, which was enunciated, that if we were truly to make the report to the board of conciliation a basis or foundation for any future settlement or for compulsory arbitration, a floor should at least be provided so that those benefits which were already recommended should not in effect be taken away.

It has been said in the house by the Prime Minister among others that parliament regrets having to intervene in matters of collective bargaining and labour relations, and that it should intervene as little as possible. This is true. However, if we have to intervene—and in this case we certainly must—then it would be folly, I suggest, not to intervene effectively on the basis of the principle that we must leave everything to conciliation and arbitration so as to secure the acquiescence if not the approval of those whose lives and working conditions are affected.

I am asking the Minister of Labour whether in this connection he subscribes to the argument that was so forcefully presented by the Minister of National Health and Welfare and the Minister of Citizenship and Immigration.

They said that the recommendations on future wages in the Munroe report, and I take it in the Cameron report, were, although not positively enacted, virtually certain to be acceptable or, to paraphrase the words of the Minister of Citizenship and Immigration, morally binding. For that reason they said that without explicit enactment in this legislation there was a basis, a foundation or a floor for future negotiation and arbitration. Does the minister also believe that on the other hand the railway companies will be free in the negotiation to refuse to include these recommendations, or that the arbitrator will be free to take away that which has already been recommended on the non-wage matters included in these reports?

I want to state with all the force I can that if the principle that we are adopting in this house is that we are intervening in this matter on the basis of the Munroe report and the conciliation board's report, and if we have found it necessary, as we have, to incorporate that report as a basic minimum below which negotiations will not go in respect of wages, precisely the same argument is applicable in respect of the so-called fringe benefits.

The word "fringe" somehow makes it sound as if these benefits were unimportant, but I assure you, Mr. Chairman, and the members of this committee that these arguments are not unimportant to those whose lives are directly affected. The acceptability of what parliament proposes to do here is affected by these matters. I want to know why we are asked to approve the proposition that the Munroe report shall set a floor in respect of wages, and not in regard to these other matters.

• (4:30 p.m.)

I therefore move, Mr. Chairman:

That clause 10 be amended by adding thereto paragraph 1(c) which will read as follows:

"Provided that if the decision referred to in paragraph 10(b)—

That is the decision of the board of arbitrators.

—is less favourable to the claims of the employees in respect of terms or conditions of employment than the recommendations made by chairmen of boards of conciliation in respect to collective agreements to which this act applies, then the said collective agreements shall be revised or amended so as to comply with the said recommendations.

This amendment is couched in legal language but the principle is simple. The principle is that if we are to have our legislation based upon the reports of the justices, who have been praised as experts in this field, if we are going to make them the basis of our legislation upon which we are asking men to go back to work without being able to exercise the normal right to strike, then we must incorporate not part but all of those recommendations.

This applies to the non-wage as well as the wage benefits. This amendment is consistent with what the Leader of the Opposition so forcefully put before us, and is consistent with what the ministers themselves have said is the basis of this matter. The acceptance of this proposal will give a guarantee to the employees concerned that they will not have to renegotiate the items already recommended in their favour by the boards of conciliation. I urge the Prime Minister and the Minister of Labour, in view of what was said last night when they asked for improvements or suggestions to make this bill more acceptable, to accept this amendment. I want to assure them and other members of this house that if this is accepted it will be another thing that will make it simpler and easier for those who are in leadership within the unions to be able to say that this parliament has been fair. It has changed its mind and improved the original legislation. It has made the full basis of the Munroe report the floor below which, at any future time, they can not be forced by any lengthy negotiation or any compulsory arbitration.

Mr. Nicholson: I think I should speak but will do so very briefly. When this suggestion was put forward by the hon. member for Greenwood this morning I assured him and the committee that I would give it further consideration. I have done so. At that time I indicated I did not believe it was necessary, any more than some of the other important matters that were referred to by the hon. member for Kamloops last evening, whose reasoning appealed to me. In view of that, I can only say that after careful consideration the amendment is not acceptable to the government.

Mr. Patterson: I rise on a question of privilege, Mr. Chairman. I should like to point out that we do not have a copy of the amendment.

Mr. Brewin: I handed out enough copies for everybody. I don't know why you did not get one.

The Deputy Chairman: Is the committee ready for the question?

Amendment (Mr. Brewin) negatived: Yeas, 14; nays, 114.

The Deputy Chairman: I declare the amendment lost. Shall clause 10 carry?

[*Translation*]

Mr. Allard: Mr. Chairman, concerning the technical aspect of the board of three arbitrators, several members of the house mentioned, during the debates, that the labour legislation should be improved. I am of the opinion also that the procedures should be improved. The mechanism of conciliation, mediation and arbitration must be flexible and expeditious enough.

That is why, it has been noticed in clause 9 that the mediators will have to report to the Minister of Labour (Mr. Nicholson) not later than November 15. But if it happens during this conflict, for example, that a board of three arbitrators must be formed by an order of the governor in council, I see nothing in the bill, in clause 10 especially, indicating a definite time limit within which the arbitrators must render their decision.

That is why, Mr. Chairman, I move, seconded by the member for Lapointe (Mr. Grégoire), that clause 10 be amended by adding the following subclause which will become the subclause (4).

(3) The said Board of three (3) arbitrators must submit a formula for settlement within three (3) months of its appointment.

• (4:40 p.m.)

[*English*]

Mr. Nicholson: Mr. Chairman, I certainly hope that this board of arbitration will be bringing in its recommendations or award within a period of three months, but I believe that it would be a mistake to tie their hands to such a limited period. It might take three and a half months or four months. I hope it will be shorter than that, but this amendment is not acceptable because parliament might have to meet to extend time.

The Deputy Chairman: Shall the amendment carry?

Amendment (Mr. Allard) negatived: Yeas, 2; nays, 111.

The Deputy Chairman: I declare the amendment lost. Shall the clause as amended carry?

Mr. Barnett: Mr. Chairman—

An hon. Member: Filibuster.

[The Deputy Chairman.]

Some hon. Members: Oh. oh.

Mr. Barnett: Mr. Chairman, I will wait for some of the noise to simmer down. I have not as yet had anything to say at any stage of the discussion of this bill, even though I recognize that the bill and the situation which brought it in is one of the most serious and important questions with which this parliament has been called upon to deal for some time.

The particular clause, clause 10, with which the committee is dealing at the present time seemed well on its way to becoming one of the most amended clauses of any bill which we have had for some time, or certainly is a clause to which many amendments have been sought to be attached. However I want to assure the committee that it is not my intention to propose any further amendment to this clause. Indeed, if it were possible within the rules what I would be rising to do would be to move for its complete elimination from the bill. However I recognize that under the rules it would not be in order for me to do this, and when the appropriate time comes I shall have the opportunity of expressing my views upon it by the way that I will vote when the vote is called.

I should like to draw to the attention of the committee the fact that this is the second time in a single session of a Canadian parliament that we are being asked to deal with a bill that contains within it a clause providing for compulsory arbitration on matters arising from a dispute between labour and management. I for one feel that if this is going to become a common occurrence in this chamber it is a subject matter that should give us cause for some serious thought before we repeat the performance for a second time in the same session.

In this connection I should like to draw to the attention of the committee the fact that the bill we now have before us is numbered Bill No. C-230, and that it was only recently, as far back as Bill No. C-215, that we were dealing with the subject matter of compulsory arbitration, shortly before the house entered into a period of recess. I find that launching upon this course of action in the Canadian parliament is something which to me is most repugnant. In my view this parliament and its members should be devoting attention to devising ways and means of avoiding entering into a proposal such as that contained in this clause.

I have not had the long and detailed experience on railway matters of some of my

colleagues in this party who have been participating in this debate, but I do feel that this particular clause in its implications goes far beyond this dispute. I feel that the members of the government who currently sit on the treasury benches, like those who have preceded them, when they were dealing with somewhat similar situations in the past, have not properly wrestled with the possible alternatives in presenting to parliament a particular course of action to bring this dispute to a conclusion.

Reference has already been made to the history of the major railway disputes in Canada, dating from 1950 to 1958 and 1960. I have to admit that I was not a member of this chamber prior to this occasion when parliament was wrestling with the question of bringing back into operation the national railway system. I had not arrived here in 1950, and as it happened I was temporarily absent in 1958 and 1960, the other previous occasions which have been mentioned in the debate.

However, I think that others who have preceded me in the discussion of this bill have made it abundantly clear that on each of those occasions parliament was asked to deal with a shotgun type of legislation to terminate a railway strike in this country. I well recall that when the Prime Minister opened the debate on this particular bill he waxed eloquent at considerable length upon his faith and belief in the principles of free collective bargaining; and in the next breath he said that he was going to bring the process of collective bargaining to an immediate termination, as far as it was possible for him to do so, in view of what I am sure he anticipated might be some resistance in this chamber.

I am not being particularly critical in any way of the present Prime Minister as contrasted with the position taken by his predecessors in that office who were faced with a parallel situation. What I am trying to say, Mr. Chairman, is that in view of this sequence of events in dealing with railway strikes, and in view of the fact that this has now reached the point that parliament has been asked to deal with disputes other than railway strikes, we should really begin to ask ourselves where we are going and what other alternative there is to this proposal that is now before us.

• (4:50 p.m.)

I would remind the Prime Minister and the committee that a bill is in the parliamentary hopper at the present time designed to give the public service the right of collective bargaining. This is a measure which I am prepared to support. On the other hand, I see very little value in our going through the motions of giving collective bargaining rights to people in the public service if we know in our hearts that immediately they begin to exercise those rights in the normal way we shall be asked by the government of the day to yank those rights away from them. It is most illogical and nonsensical.

I referred earlier to Bill No. C-215. As the Prime Minister knows, when this matter was before us the members of my party tried to bring forward an alternative method of dealing with that situation. We suggested that the operating companies should be placed under a public trusteeship if it was our intention to ask those particular employees to return to work. We felt this was a technique of placing the two parties to the dispute in a position of balance. On the one hand, we were saying to the men involved that they should relinquish their rights to withold their services. On the other hand, we were saying to the employers: As long as this dispute continues you will not have the right to operate this concern.

We proposed that there should be open-ended mediation, with a terminal date in the bill representing what we thought was a reasonable period of time to allow the two parties to arrive at a solution of their problems, bearing in mind public opinion in the country. This, we felt, was at least one alternative to the shotgun tactics which we are being asked to approve in this bill as we were asked earlier by the government to agree to in Bill No. C-215. I have heard the Minister of Labour as well as the Prime Minister talk about free collective bargaining and their desire to see it function. I must say that I was surprised, indeed I was hurt, by the hasty and somewhat angry rejection on the part of the government of the proposal we put forward in all sincerity and good faith in the hope that it might be helpful, indicating that if it were acceptable to the government a fair majority of members were prepared to deal with this matter in a way which did not require the forcing of a solution through compulsory arbitration.

However, that matter is not before the committee at this moment. I am not even certain that this would be the most appropriate way of approaching the problems raised by a national rail strike. Two major railway lines are involved, one publicly owned and the other privately owned. I freely admit that in my own view the whole situation would be

a lot simpler if we had one integrated railway system and public ownership. However, we are dealing with the situation which now exists and it seems to me that another possible way in which this matter could be settled would be to remove clause 10 entirely from the bill and substitute some provision for what I would again call open-ended mediation and negotiation with a proviso that if the parties had not been able to resolve their disagreements by a certain date the question would be returned to parliament. In the light of the evidence adduced during the mediation proceedings and the positions taken by the parties, parliament could then make a further determination of the issue on the basis of the facts as then known, including the extent to which the parties had been prepared to bargain in good faith and so on.

This would appeal to me as being another possible alternative worthy of consideration in a situation such as that created by a national rail strike. There may be yet another alternative which would make this bill more acceptable to those of us who have at heart the right of citizens to engage in free collective bargaining but who are yet prepared to recognize that there are situations where in the national interest it is not possible to allow a particular group of workers to withdraw their services. Instead of including in the bill provision for compulsory arbitration with a binding determination to be made, there could be a clause containing some form of provision or suggestion, or indeed an order from this parliament, to the effect that the parties might find it a course of wisdom to agree between themselves on some form of arbitration on one or more of the issues to be received between them.

I realize I cannot move that this clause be abolished. An attempt has been made to amend it. I shall not attempt to amend it in the terms I have suggested. I recognize that the government has embarked on the course of action proposed in this bill. I recognize too that the situation which faces this country is a serious one and that some action by parliament is required without too much delay. Unless the governement is prepared to indicate of its own initiative that it is willing to give consideration to some alternative to the terms of clause 10, then all I can do is to say that when this question comes to a vote I intend to indicate my disagreement by voting in such a way as to indicate that I wish it was not there.

[Mr. Barnett.]

• (5:00 p.m.)

I said previously that I do not pretend to have all the answers to the question. Because of the increasingly complex society in which we are living, the plain fact that more and more groups or elements in the fabric of our society are deciding to withdraw their services means that the impact upon us is all the greater. I say that we in this parliament should come to grips with the problem and arrive at an answer consistent with the ocncept of free men being able to live in a free society.

Mr. Martin (Timmins): Mr. Chairman, I wish to make a few brief comments on compulsory arbitration. I am a member of a local of the International Association of Fire Fighters which has voluntarily given up the right to strike and acquiesced in compulsory arbitration. In their case this has worked well, but they are a different kettle of fish from railroaders.

One of the things I find most abhorrent about the speeches made by many hon. members on this bill is that they are completely closing their eyes to what they are saying and doing. We have seen the Prime Minister and others stand up and proclaim they are determined to maintain the rights of the railroaders, rights similar to those of other workers. From this I would assume that the railroaders have the right to withdraw their services, in other words, the right to strike. But though these hon. members say to the railroaders that they have the right to strike, at the same time they say to them that they do not have the right to stay on strike.

How ridiculous can we get? We say that we will maintain their right to strike but if the strike becomes effective and pressure is brought to bear we will take away that right. If we are going to take away that right, then what is the point of giving it to them in the first place? What kind of sham are we carrying on? If this is what the law of the land is going to be, then it is high time the railroaders realized it and found something else to take the place of these rights so freely given and so quickly taken away.

Clause 10 as amended agreed to: Yeas, 119; nays, 13.

Mr. Nicholson: Mr. Chairman, it will be recalled that clause 6 was stood this morning and was to be reconsidered after clause 10 had been dealt with.

On clause 6—*Terms of collective agreements amended.*

Mr. Nicholson: Mr. Chairman, I move the following amendment to clause 6:

After the words "January 1, 1966" in line 29, delete the word "and", and after the words "July 1, 1966" in line 30 add:

", an additional 4 per cent effective January 1, 1967, and an additional 6 per cent effective July 1, 1967".

Amendment agreed to.

Clause as amended agreed to.

On clause 11—*Tabling regulations in Commons.*

Mr. Baldwin: Mr. Chairman, I have a few observations to make but I shall borrow no more than ten minutes of the committee's time to deal with clause 11 and an amendment which I propose to move that I believe will cope effectively with the root issue of the whole problem before us. During discussion of clause 10 we heard something about collective bargaining procedures and compulsory arbitration and my amendment will, in another sense, deal with these problems.

Without in any way detracting from the tremendously valuable service which collective bargaining has performed in the past and recognizing that it is desirable to continue to pursue it as far as possible, nonetheless I do not accept the proposition that this method is inviolable in any and all conditions. Our complex and fast-moving modern industrial society, composed of groups of people becoming more and more identifiable and interrelated, must have available some additional means, when necessary, of dealing with settlements in wage disputes.

For reasons which I shall give later I am convinced while we can give great priority to the continued use of collective bargaining procedures, yet there will be from time to time sets of circumstances which demand new and different approaches to be taken, either alone or in conjunction with the collective bargaining procedures. I think that has been pretty well recognized during the course of the debate.

Right now we are in a transitional phase. The process of collective bargaining has attained great aims for labour and has been a useful adjunct for society. If not replaced it must be used along with other methods, and the same is true of compulsory arbitration. We as a society have learned to accept, sometimes cheerfully but mostly grudgingly, a variety of compulsory powers. Look at the statute books and the ordinances we have in the federal and provincial governments.

On a co-operative basis, having the objective of securing the greatest good for the greatest number, we have reluctantly imposed upon ourselves a great many forms of compulsion, some of a negative kind and some which compel us to do certain things. There are many more we shall have to consider in the future, and so I must come to the proposition that the exigencies of our society may be such as to require people to accept imposed decisions. When it is clear and evident that the overriding requirement of society calls for it, this will have to be accepted by labour unions as well as by others. True enough, Mr. Chairman, a tremendously heavy burden falls on those who assert this proposition. It is a very heavy burden, and I suggest it is not a burden which can be discharged as the government is attempting to discharge it in this committee.

• (5:10 p.m.)

Having reached this conclusion, I must therefore say I have not opposed this bill because it does contain provisions for imposing decisions and for overriding the collective bargaining process, if this should become essential. But there is another reason. I am not going to take the time to deal with it in detail. However, there is a very interesting article by the famous historian Arthur Toynbee which appeared a short time ago and which sets forth that certain segments of society, particularly industry, capital, land owners and powerful labour unions, now have the power, the strength and the opportunity to assert such pressures that from time to time the share of the national wealth which they take is larger than that which on an equitable basis should be theirs in relation to those who have not this power to exert pressure.

There are millions of people in this country, pensioners, older people, salaried people, who are not organized, as well as small farmers who are dependent upon export markets, who have not the pressure, force or organization to exert any undue influence on their own behalf. Consequently the forces of particularly powerful groups in certain segments of society are able to pry out of the national wealth more than their fair share. I have no hesitation in saying this applies equally to certain segments of industry as it does to some labour unions.

Legislation Respecting Railway Matters

When the government accepts, as it must accept, its responsibility and in an extraordinary set of circumstances brings us here, as it has now, and asks parliament to pass legislation of this kind, leaving the final decision to third parties outside of parliament, I suggest with great deference it is not discharging its full duty. It is incumbent upon the government, and I suggest it probably is incumbent upon parliament, to see the matter through to its ultimate conclusion.

I suggest that the whole debate has indicated the correctness of what I say. Most of the speeches and many of the amendments have been directed toward placing within the four corners of this legislation various measures which hon. members honestly and legitimately feel should be part of the final agreement, the final arrangement under which, after the workers have gone back and the strike is over, a solution finally will be reached. I suggest, therefore, that clause 11 as it now stands falls short of a discharge on the part of the government of the responsibility which it should have.

In clause 11 the bill provides that a regulation appointing a board of arbitrators shall be laid before the House of Commons not later than five days after the day the regulation is made. It then is a subject for debate and the house, of course, has the privilege of setting it aside. This accepts in part my view. I suggest in the first instance that this process should be reversed. I suggest that the regulation should be laid before the house and not become law until accepted by the house. I suggest further that any decision of the board of arbitrators, when and if it is essential—I hope it may not be—should also be laid before the House of Commons and should not become effective until it is passed by the house.

My very strong submission, Mr. Chairman, is that the unique, extraordinary combination of facts and circumstances which has brought us here and has led to the introduction of this measure will continue until the final settlement is made and that this house, and particularly the government, must accept this responsibility and must ensure, for the protection in the first instance of the workers, that the final results which are achieved are fair, equitable and reasonable and, second, must ensure that the result which finally is reached by the arbitrators is one which in its relation to society as a whole is also a proper and fair one. I am sure, Mr. Chairman, that had this course been followed last summer when we were dealing with the dockworkers' strike and the seaway strike we would not be where we are today and that there would have been achieved at that time a settlement consistent with equity and fairness to the strikers involved, to the employers involved and to the people of Canada as a whole.

[Mr. Baldwin.]

Having said that, I therefore move that clause 11 be amended as follows:

1. By deleting all of the words after the word "effective" where it appears in line 22 and substituting therefor the following:

"when the regulation has been approved by the House of Commons".

2. By deleting the present subsection 2 and substituting in its place the following:

"Notwithstanding any provision of this act a decision of the board of arbitrators made under section 10 shall be laid before the House of Commons no later than five days after the day the regulation is made or, if the house is not then sitting, within the next five days thereafter that the House of Commons is sitting and the decision becomes effective when it has been approved by the House of Commons."

In conclusion I should like to say that I heard the exchange between the Minister of Transport and the hon. member for Burnaby-Coquitlam the other night. I agree that it is fantastic, it is preposterous for the government, the House of Commons or parliament to impose a negotiated settlement to take the place of conciliation boards or mediators under most situations. In an ordinary set of circumstances it would be quite improper for us even to consider it, but these are not ordinary circumstances.

Every speech which I heard indicated the views of members of this house who honestly and seriously are concerned. They had suggestions which they felt should be adopted and ultimately become part of the process of mediation, or ultimately part of arbitration, because these are extraordinay circumstances. I do not know to what extent my views may have approval but my views are strong. In moving my amendment I offer it genuinely in the sense in which I put it before the committee.

Mr. Lewis: Mr. Chairman, on behalf of our party I wish to say I fully appreciate the spirit in which the hon. member for Peace River has moved his amendment. I think if hon. members will look at it carefully they will find it as impossible to accept as I do. The hon. member for Comox-Alberni expressed the view that the compulsory arbitration part of the bill was objectionable and he stated views which I share. If there is going

to be arbitration surely no useful purpose can be served by having the adjudication of an arbitrator readjudicated by parliament. That is the first serious objection I have in that regard. If a dispute goes to a board of arbitration the decision of that board should be final. No purpose can be served by bringing that adjudication back to this house for readjudication.

• (5:20 p.m.)

Second, I suggest there are elements of delay inherent in this bill which are undesirable and which make the whole process less workable than it would otherwise be.

I could find many more things which are objectionable but it seems to me, even though I fully appreciate the democratic objective of the hon. member for Peace River, that if we are going to have arbitration we should not extend the whole process by bringing the matter back to parliament for reconsideration, particularly after lengthy discussions would have taken place. Clause 10 sets out the powers and terms of reference for the arbitrators and surely that is enough without the whole matter being brought back to parliament. That would be unnecessary and illogical.

Mr. Nicholson: Mr. Chairman, I had intended to speak again, but having heard the persuasive words of the hon. member for York South I should like to say only that I accept his arguments.

Mr. Patterson: Mr. Chairman, I have listened with a great deal of interest to this debate and at this time I should like to make reference to the amendment now before us. It appears to me that we would be setting a very unfortunate precedent if in this instance we were to require that an award of an arbitration board should be returned to parliament for consideration. During the past months there has been a great deal of debate and discussion which has consumed a considerable amount of time. It seems to me that by accepting this amendment we would be adding another item of business to our already full agenda. Once an arbitration board has made an award I believe that award should be final. For this reason and the many other arguments presented against this amendment, I suggest that it should not be adopted.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Baldwin) negatived: Yeas, 38; nays, 99.

Clause 11 agreed to.

Schedules A, B and C agreed to.

Clause 1 agreed to.

On the preamble—

Mr. Nicholson: Mr. Chairman, when I proposed the amendment to clause 6, I drew the attention of the committee to the fact that it would be necessary to amend the preamble. I should now like to move that the preamble be amended in the following terms:

In lines 15 and 16 delete the words:

"terms and conditions of employment for the year 1966, for"

The Deputy Chairman: Shall the amendment to the preamble as moved by the minister carry?

Some hon. Members: Carried.

Amendment agreed to.

Preamble as amended agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill as amended carry?

Some hon. Members: Carried.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Some hon. Members: Now.

Mr. Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Pearson moved the third reading of the bill.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

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

Mr. McIlraith: Mr. Speaker, if it meets with the approval of the house I suggest that we suspend the sitting until eight o'clock.

Some hon. Members: Agreed.

Mr. Speaker: Is it the desire of the house that we suspend the sitting until eight o'clock?

Some hon. Members: Agreed.

Transportation

SITTING SUSPENDED

At 5.32 p.m. the sitting of the house was suspended until 8.00 p.m.

SITTING RESUMED

The house resumed at 8 p.m.

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

Hon. J. W. Pickersgill (Minister of Transport) moved the second reading of Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

He said: Mr. Speaker, on September 14, 1964 I rose in the last parliament on the resolution stage preceding a bill which might now be called, I suppose, the precursor of the bill on which I am now speaking. I persuaded the committee to say that the introduction of the bill was expedient, and that is really, sir, where the expediency ended. In order to get any further consideration of the bill in that session I had to persuade my not altogether unwilling colleague, the Minister of Public Works (Mr. McIlraith), to strangle the child in the cradle and to send the remains to a parliamentary committee where it was dissected for several weeks by all sorts of interested parties.

I have done a little better this time, sir. I got this bill through the committee stage without making a speech, and if any member of the house feels he was deprived in any way because I was not able to do that, notwithstanding the layman's guide to the bill which was circulated the other day, I would commend to him—and it is not always that I look at my previous utterances with the same approval as I do this one—the speech I made on September 14, 1964, because I think that nearly every opinion I expressed in it is thoroughly justified.

There is only one about which I feel a little shamefaced. I said at the beginning that it has been suggested to me that I was introducing a revolutionary measure. Well, sir, that was certainly one revolution that failed, and after the experiences in this house this week, at this hour, at which it is hard even for an enthusiast like me not to regard this bill as rather an anticlimax, it is a little hard, in the shopworn state in which I find myself tonight, to feel much like a revolutionary.

[Mr. Speaker.]

Perhaps if we can achieve something between the speed of revolutions and the speed of glaciers we might hope to make some progress with this measure.

In retrospect I do not think it would have been possible in 1964, even if there had been parliamentary time and even if that bill had seemed to that parliament as important as I like to think it was, to have passed this bill through parliament even if we had had the necessary priorities. Moreover, I think it is a good thing it was not passed. I have read all the editorials that anybody has clipped for me in all the great metropolitan newspapers, and in some of the others, about how this terrible crisis came upon us because we in this parliament were collectively so negligent since 1961 that we have done nothing about this railway problem.

• (8:10 p.m.)

I have the impression that something the Prime Minister (Mr. Pearson) said in connection with another measure might be appropriate. I am not going to quote him, because that would be against the rules, and I have forgotten his exact words, which is even more inhibiting. However, I believe I remember the sense very well, and it was this, that there were some things that could be done in a crisis that could not be done in ordinary times.

Mr. Pearson: Mr. Speaker, I rise on a point of order. I am being misquoted.

Mr. Pickersgill: The Prime Minister, as usual is going to have to backtrack. The Prime Minister is not being misquoted, he is not being quoted at all. However, that is not his fault; it is just that I, like the hon. member for York South (Mr. Lewis) earlier today, did not have *Hansard* handy, and I am relying on an equally imperfect recollection. The sense of what the Prime Minister said is good sense.

I like to think there is a sense of urgency about this legislation that has not existed at any time since the MacPherson report was received, and since there has been an opportunity, theoretically, for this parliament to deal with this problem. I had the inestimable advantage this morning, and it is an advantage that is rather spasmodic in the summertime, of the paper boy getting to my house. I had also the inestimable advantage of reading the editorial in the *Globe and Mail*. It is a wonderful thing for politicians that they have this public conscience every morning to remind them of their deficiencies. The editorial

is entitled, "Can politics be kept out of transportation?"

Well, sir, there is only one place in Canada where anybody could be so far divorced from the realities of Canadian life that he could possibly write an editorial with that title, and that is in the city of Toronto, and perhaps even there only in the editorial offices of the *Globe and Mail*. Anybody who knows anything about the history of this country knows that there would have been no Canadian polity without transportation, and without a polity there would have been no politics. I said this once before in the house but I think it is worth repeating: Transportation has the capacity to arouse emotions and prejudices and to obscure the vision of most people even more completely than questions of race, religion or language.

It is right that it should be so. It is essential that it should be so, because without adequate transportation, there never would have been the kind of Canada we have; without the maintenance of effective transportation we never could have a united, efficient or agreeable country. I hope the day never comes when some editor in some ivory tower in Toronto is able to take politics out of transportation.

Mr. Sharp: Mr. Speaker, I rise on a question of privilege. I understand very well the politics of my hon. friend but I think he should do justice to that great city which I, as one member, represent.

Mr. Pickersgill: I suggest to the house and to others like the hon. gentleman and myself, who have found it necessary for economic, social or other reasons to be transplanted from Winnipeg, that there are better places to go than Toronto.

Mr. Hellyer: Mr. Speaker, I object.

Mr. Knowles: May I raise a point of order? Is it not a well known rule of this house that no matter should be brought before parliament by the government unless there is cabinet solidarity? Should we not adjourn until there could be a cabinet meeting on this?

Mr. Pickersgill: I have said nothing up to now—

An hon. Member: Hear, hear.

Mr. Pickersgill: I gave the hon. gentleman the opening that he wanted—but I have said nothing up to now on which it would be possible to achieve solidarity in the cabinet or out of it. I am trying, sir, to illustrate something that I feel is really quite essential if we are to consider this bill in the proper spirit. I hope that politics can never be kept out of transportation in Canada, because if anyone takes the trouble to read this editorial—in view of the points of order that I have raised in recent days in the house, I would not dare read it myself—he will see that keeping politics out of transportation means, according to the writer, that some wise person in Toronto would tell the rest of Canada what was good for it instead of allowing the politicians representing every part of the country to work out in a free parliament a transportation policy that is related to the wishes and needs of the people. This is what I understand by politics in transportation and I make no apology for it. On the day we cease to have politics in transportation, we will cease to have a free country.

Having said that, sir, I have to admit for the benefit of my colleagues on my right the Minister of Finance (Mr. Sharp) and the Minister of National Defence (Mr. Hellyer), that there is a little germ of truth in what came out of Toronto this morning. There are two kinds of politics that we could have in transportation. One is the kind of politics which up to now I have been referring to; the kind of politics which means that in our collective wisdom, plus a certain amount of distributive foolishness, we do try in this house, despite partisan considerations, to get some kind of consensus of what will be suitable to bind this country together from Bonavista to Vancouver Island.

• (8:20 p.m.)

Mr. Grafftey: Would you mind singing it?

Mr. Pickersgill: I would have to ask the Minister of National Defence (Mr. Hellyer) whether he knew the words to sing it. But I do not think my speech needs that kind of illustration.

There is another kind of politics which undoubtedly the editorial writer had in the back of his mind, and that is the kind of politics which, no matter which place we represent—even a place so self-sufficient as Toronto that it needs no transport—tempts all of us to see the selfish interests of individuals, groups or sometimes even of regions above the broader interests of the whole community.

That kind of partisanship and that kind of politics I quite agree we must try to keep out of our consideration of this measure if collectively we are to achieve something really

useful for the country. I do hope that in the light of the circumstances in which we now find ourselves, while all of us will keep fully in mind the necessity for seeing that the point of view of every part of this country is adequately represented and fairly treated in a transportation policy, we will not push these regional and local interests to the point where it is difficult to reach a consensus of view that does meet the real national interest.

I know that there are in the house broadly two ideological views about transportation, and particularly about railways. Though this measure that I am introducing tonight is not by any means exclusively concerned with railways, it is mainly concerned with railways apart from the first part of the bill.

If I may once again allude to something which was said in an earlier debate today, I think by the hon. member for Comox-Alberni (Mr. Barnett), it was very clearly stated that there were those who felt that a public monopoly of the railways would be preferable, more efficient and would remove a lot of problems which exist because of the fact that we have two main railways, and a certain number of other local railways in the country at the present time.

That view is one which I think is quite tenable. There are a lot of arguments which could be made in its favour. But there are also a great many arguments on the other side. As I indicated two years ago—my views on this have not changed, and here there is cabinet solidarity because the views of the government have not changed—our view is that we do not think that on balance it would be an advantage at the present time to have only one railway in this country. We think that at the present time it is, on balance, better to make do with the basic situation which we have. We think that the rather limited amount of competition which exists at the present time—I would be the first to admit it is very limited, and I think too limited—between the railways themselves as well as between the railways and other forms of transportation serves the country better than would the other system.

However, Mr. Speaker, this is not the subject matter of the debate. Is is true that hon. members who wish to do so can assail this legislation and say that we should just scrap the whole system and have a different one. What we are seeking to do here—and perhaps this is why I was a little extravagant in the language I used two years ago when I said that what I proposed was revolutionary—is not to scrap the basic corporate structure of the railways, or of any other form of transport at the present time, but to create a framework within which they can operate in a way which, in our view, will not only better serve the public—which is the main consideration—but which will also better insure the Canadian treasury and the Canadian taxpayers against unnecessary and undue charges, and in some cases duplicated charges for duplicated services, which do nothing except add to the costs which all of us both as a community and as individuals have to bear.

I think it is important to remind hon. members, although they know it very well, that for nearly 80 years after confederation the railways were so much the most important mode of transportation in the country that they had in most areas a virtual monopoly in the carriage of goods, and pretty close to a monopoly in the carriage of people over any distance. That monopoly was mitigated in most areas of the country only by water transport, which of course is a much more ancient mode of transportation in Canada and was the original mode by which the country was opened up.

However, during this long period there existed the feeling which I think nearly always exists in any country where large and powerful bodies exercise an almost exclusive jurisdiction of any kind over things that enter into the lives and the livelihoods of nearly everybody, namely that this powerful force in the country had to be controlled by the public.

Of course, Mr. Speaker, this measure of control was established by the Laurier government in 1903, when the Board of Railway Commissioners was first established. From 1903 up to the present day, though there have been occasional changes in the ground rules, fundamentally we have continued to take the view that public regulation of the actions and charges of the railways is essential in the public interest.

This monopoly was mitigated in some respects, as I say, where there were obvious alternative sources of transport, such as the lakes area. It was more and more mitigated as modern highways were developed. The railway strike of 1950 transferred a lot of goods to other forms of transportation, particularly road transportation; and gradually in many parts of the country, with the development of air traffic, in respect to many forms of commodity, and above all in the

transport of human beings, that monopoly has been eroded and in large part has disappeared.

It is not often that I pay tribute to the right hon. gentleman who leads the opposition, and I am sorry he is not here this evening, but he did one very good thing when he appointed the MacPherson commission. That commission made what I regard as a first rate report. It has stood up well, even after four or five years of exposure to the public gaze. It is true that circumstances have changed that some of these specific recommendations to deal with specific problems are no longer wholly appropriate, because some of the problems have changed their aspect. But the basic approach of the report was a new one. It was that there has been a development of alternative and competitive modes of transport in most parts of the country for most classes of travel, and that the kind of regulation of railway charges and practices by a regulatory body which may have been needed in the past was no longer essential for the protection of the public.

• (8:30 p.m.)

Habits die hard. It has been very hard to get through our heads the idea that this has become true, and if we do not make a real effort of imagination it will be hard to appreciate the fact that many regulations which in the past were necessary in the public interest have simply become shackles in the present.

This is one of the exercises we have to perform if we are to make any basic improvement in the situation of the Canadian railways, and in their capacity to serve the Canadian public without placing undue burdens on the treasury. It is also necessary to make sure that we do not burden the public with services which have ceased to be essential because other modes of transport have taken their place. I have said before in the house that in no country in the world with which effective comparisons can be made is there a greater cost imposed on the community per capita in respect of transport services than is the case in Canada. This is true in respect of any country about which I know anything. It may not be true of Russia, though I doubt whether the density of the population there in relation to its transport facilities is any less than it is in our own country.

To put it in another way, the cost of transport enters more largely into the cost of living and the cost of doing business of virtually every Canadian, on the average, than it does into the costs borne by citizens in any comparable country. It also happens that there is no other large country which depends to the extent this country does upon external income for the livelihood of its people. There is no country the per capita income of whose people is derived to such a large extent from outside the country as is the case in Canada.

In order to maintain this income it is essential that we should be competitive in the world we live in. Our transport services must be as efficient and as economical as possible. I cannot stress either of these things too much. After a great deal of deliberation and a great deal of discussion with people far more expert than I can ever hope to be, I came to the conclusion some six or eight months ago that in one respect we should make a more fundamental approach to this whole problem of national transportation than was envisaged two years ago when the bill was introduced at that time.

Because of my experience with other modes and forms of transport, for which I have a responsibility in so far as there is a public responsibility, I have reached the conclusion that one of the most important things of all is to have one unified organ of government divorced from any of these different modes of transport which would look at all of them, compare one with another and, when considering the regulation of one, would take account of what was happening in the other fields and determine whether we were getting the best value by spending public money on railways, for example, or whether it would be better to scrap a branch of a railway and concentrate on a highway or an air line.

We ought to be doing a lot more of this in Canada than we are today, if we are not to be burdened with expensive services which will not support themselves and for which the users cannot pay—services which therefore become an increasing burden on the treasury.

I do not think anything illustrates this more clearly than what has happened in the seven years since 1959. In those seven years, on three occasions, however this may have been disguised, the greater part of the increased wage bill of the Canadian railways has been passed on to the taxpayers of Canada—$20 million in 1959, $50 million in 1961 and another $30 million in 1966. So we are now paying out of the treasury $100 million a year. It seems to me, and it seems

to some of my colleagues, that this process cannot go on without grave danger to the Canadian economy and to the well-being of all Canadians.

I think we are better able to appreciate this danger which has been brought home to us this week, so that we may be better able to overcome local prejudices and local tastes for the old and for the familiar, even when they have ceased to perform a function commensurate with its cost. Of course, it is easy for me to recommend that redundant services in Ontario or British Columbia, the prairies, Quebec or possibly, even the maritime provinces, should be curtailed.

An hon. Member: But what about Newfoundland?

Mr. Pickersgill: Yes, as the hon. member points out, when it comes to Newfoundland it becomes much harder. That is going to be the experience of every member of the house, except one or two of those really highly minded members—and I will not embarrass them by identifying them—who really can keep politics out of transportation. But, sir, if we are going to do a job in this bill, if we really are going to have a national transportation policy, if we really are going to deal with this critical problem—and heaven knows this week we have had it emphasized how critical it is—we have got to balance those local desires and feelings against the burden that is also put on everybody in those localities by the maintenance of what were services, but which are now in many cases either luxuries or burdens.

• (8:40 p.m.)

This is not going to be easy for any of us, and I do not fool myself. I have no illusions that it is going to be easy to get this bill through the house, although I have the impression that because we in the house were elected to represent all Canadians, as well as our own constituencies, and because we rub shoulders here in the house a good deal of the time, we do tend to have somewhat wider horizons than many of our fellow citizens who will be making representations about this legislation before it is passed.

We intend, or at least I am presuming, sir—I withdraw that—I hope, sir, the house will see fit to give this bill second reading and send it to the committee on transport and communications, and I hope that committee will see fit to hear the representations of every important interest in this country which wishes to make representations about this matter which is so vital to us all.

Now, sir, I could go on to give a description of the bill. I do not really think that there is much in a speech on second reading that I need to add to the description that I provided the other day. But I think if I just indicated the various parts of the bill, and said one or two words about certain aspects of each part of it that I think will be the highlights, it might help other hon. members in their consideration of the bill.

The first part of the bill is prefaced by a declaration of policy. I shall not read it because it is against the rules to read the details of a bill, but I do commend clause 1—

Mr. Cantelon: Would the minister be prepared to answer a question before he goes into his detailed statement?

Mr. Pickersgill: I really doubt if under our rules questions are allowed on second reading of a bill, but if at the end of what I have to say—

Mr. Horner (Acadia): There is nothing in the rules to stop a question now if you will permit it.

Mr. Pickersgill: No, there is nothing; but the hon. member for Kindersley (Mr. Cantelon), who is one of the most courteous members of the house and who, I am sure, does not wish to interrupt my train of thought—

Mr. Horner (Acadia): He would not be interrupting much.

Mr. Pickersgill:—which, I may say, is moving rather slowly anyway—

Mr. Cantelon: So long as I can ask the question later.

Mr. Pickersgill: I am sure the hon. member would not wish to stop the train altogether, because it might not get started again. I know in the case of some hon. members they might like that, but I would really like to get to my destination, if Black Rod does not get here first.

I do commend to all hon. members clause 1, and the declaration of the principles contained in it, because the government has sought in this declaration to set out clearly and succinctly, and in hard language, the objectives we have in mind.

Having commended that part to hon. members I should now like to say a few words

about the proposed Canadian Transport Commission which is dealt with in Part I of the bill.

I know there are some people in the house as well as some outside the house who fear that this—I forget who first coined the original phrase—could be a bureaucratic monster. I hope it will not. That certainly is not the intention. The intention is precisely the opposite. The intention and desire of the government is to amalgamate the three existing organisms and to provide certain other services in an effort, if I dare use the word and if it is not going to do my cause any harm, at integration.

I recognize at once that we have not reached the stage of common uniforms, and therefore it is provided in the bill that there will be a series of committees dealing with specific aspects of transportation and performing most of the functions now performed by the existing agencies. There will be other committees to perform functions in relation to interprovincial and international highway traffic at such time as the government may decide that in the public interest the present arrangements for dealing with them can no longer be continued.

There are some difficulties there, and I hasten to repeat what I said the other day that there is no present and immediate intention of taking on this task without full consultation with the provincial governments, and the fullest co-ordination. It is a very difficult field. It is quite unlike the railways because the highways are owned by the crown in the right of the provinces and the degree and nature of the jurisdiction and regulations that it is possible for parliament effectively to exercise—whatever the theoretical position may be—is very limited.

There is another field in which there may not be very much to do for some time, and that is in the transportation of solids by pipe line. This is something we know is coming and it did seem desirable, when we were attempting to foresee as much as we could the various modes of transportation, to do something so that we would have the machinery to deal with this problem when it does become of some importance.

It will also be competent for the commission to establish other committees, either on a permanent or ad hoc basis, to deal with particular problems. But I think the main reason why I came to the conclusion, and the main reason I was able to convince my colleagues that this was good to recommend to the house, was not that the regulatory functions would necessarily be better done by a body with separate committees, but that it was really filling a vacuum that badly needed to be filled, that it was just as important to have continuous research, investigation and study, and to have it done by competent people all the time, and not just spasmodically, as it was to have good regulations and able boards to administer those regulations.

• (8:50 p.m.)

When hon. members stop to think how vital transport is to the country and how large a part it plays in our whole economy, it is little short of disgraceful to realize that when a minister wishes to employ an expert in almost any field of transport he has to go outside the country either to the United States or to the United Kingdom. It is not because we do not have good Canadians with expertise, but it is because they all are employed with interests of one kind or another which in some respects are different from the public interest. This means that when you get these experts, if it takes them six months to do the job, they take four months educating themselves at the expense of the Canadian public, one month carrying on their investigation and another month writing their reports.

There is an awful lot to be said for applying that education continuously, and for educating Canadians. I do not mean that we are going to have a whole host of experts in the commission, but I do believe that if we keep this matter under continuous review we may in some of our universities—and I may say that some initiative seems to have been taken in this field in my own university in Manitoba—find that we will get some people in Canada who can be employed, and in respect of whom we will have the assurance that they are not in any way tied to any existing interests. Because they will be people who know the environment in which they live, they will not have to spend half of the time in which they are employed finding out what is the problem.

I believe that this plan will work. I do not say that it will end forever the neeed for any more royal commissions on transportation, but it will vastly reduce the need for them. Most of these studies will be done much more efficiently and much more quickly by people who are really familiar with the background of the matter which they are studying.

Mr. Bell (Carleton): Will the studies be public?

Mr. Pickersgill: I would think that would depend very greatly upon the circumstances. At the present time, pursuant to the recommendations of the MacPherson report we are carrying out at their suggestion a comprehensive study of the facilities of the Department of Transport in the Atlantic provinces. This study is being done by the Economist Intelligence Unit of London England with some co-operation from the Acres firm in Niagara Falls. This is the kind of study which, if this commission was in existence, would have been undertaken by them. This does not mean that they would not do what royal commissions do; that is, farm out a lot of their work in the form of special studies. However, the people who daily are dealing with these problems would in most cases, I think, be able to do it much more efficiently and in a much shorter time.

There are other things; there are certain kinds of studies which the Minister of Transport or the government as a whole may wish to have done in order to be of assistance to them in making up their minds as to the kind of policies which are to be recommended. In cases of this nature I should think it would be very unwise to have these working studies made public, because if ministers are to be of any use and not just ciphers, they must be allowed to exercise their own judgment.

Apart altogether from any other aspects of the matter, if you have an expert study made and exercise your judgment upon it, and then the expert study is published, it puts both the minister and the expert in really quite an awkward position. I think it is quite contrary to our system of responsible government to do that. I know there are many distinguished authorities on transportation in Canada, like Mr. Douglas Fisher who was a former member of this house, who do not subscribe to this view and who think that everything should be done in the full glare of publicity. Maybe; it is a view. I think, however, that most people who have had experience in government, and not just experience in criticizing governments, would realize that this is not necessarily so. Well, it may have some advantages; and sometimes I think you need to shed a little light in some of these dark places, even in the Department of Transport. There are many occasions when you can have freedom of discussion, freedom to express opinions, and change opinions only if you do not have to expose your vanity.

[Mr. Bell (Carleton.]

In answer to the intervention of the hon. member for Carleton (Mr. Bell) I should say that I think it would depend upon the nature of the studies and depend upon whether or not the government was seeking comment from the public and public understanding and whether or not the government was seeking to inform itself in order to exercise its functions in an adequate and effective manner. I sincerely believe and strongly hope that this function may be just as important and just as useful as the regulatory functions which also will be performed by the commission.

I do not think I should go on to say anything about the structure of the commission; it is in the bill and we will have plenty of time to examine it in great detail in the committee. Before I go on to the next part, in case I should be interrupted, perhaps I should say something which I had intended to say before I started discussing the bill; that is, the broad principles of this bill are endorsed by the government and are government policy, and on these policies we are staking our lives. The terms of this bill I think are certainly a lot better than in the bill of a few years ago and I think we owe a lot to the members of the previous parliament and to a lot of groups and persons who have made representations to the parliamentary committee and to the department.

I do not think the bill is perfect. As a matter of fact I found a typographical error only today. I do not think it is only typographical errors that will be found in it. I think it will be found in the committee that there are a lot of improvements which can be made in the detail, and I think it is just as well for me to enter this caveat now. I will not consider that I am retreating, even if the hon. member for Carleton is able to produce a better idea than I have, and I accept his rather than mine. I will simply consider I am wise enough to use his estimable brain. I may say that I only use the hon. gentleman as an example.

I do not think I need take very much time on part II of the bill. It makes provision for the jurisdiction over commodity pipe lines. Part III makes provision for the ultimate jurisdiction over extraprovincial motor vehicle transport.

• (9:00 p.m.)

Mr. Bell (Carleton): The minister is placing the emphasis on the word "ultimate", is that right?

Mr. Pickersgill: Yes, the emphasis is placed on the word "ultimate".

Part IV is a very exciting and important part of the bill which deals with bridges. This is really a buck-passing section because it transfers the jurisdiction of the Minister of Transport or the Board of Transport Commissioners over to the jurisdiction of the Minister of Public Works (Mr. McIlraith).

Mr. Bell (Carleton): Wait until George hears about that.

Mr. Pickersgill: Perhaps this will show that the present Minister of Transport is not an empire builder.

Part V of the bill is the part which deals with railways, and it is, of course, the most important part. If anything, it is even more important than the establishment of the Canadian Transport commission.

Part V of the bill carries out, but in a rather different way from what was envisaged in the previous bill, the principle enunciated by the MacPherson commission, namely that those services which parliament requires the railways to perform in the national or social interest, but which are not remunerative, should have their losses largely paid for out of treasury. In other words, we should not put the whole burden on the railways for keeping on these services. I refer to the uneconomic services, to use a loose term, which give the railways a reason for saying they are unable to pay adequate wages and so on. The treasury should bear the losses or a large part of them in respect of these services. There are various types of services of this kind.

In the previous bill there was a simple provision which provided that in respect of passenger services, they could be abandoned by the railways on proof of loss, whether the service was deemed to be socially essential or not. I do not think anyone would be surprised, after the experience we had earlier in the present session, that a minister even as intrepid as the present Minister of Transport, would hesitate to bring in legislation allowing a passenger service to be abandoned merely because it was losing money.

Mr. Bell (Carleton): We could think of other adjectives.

Mr. Woolliams: I have used some of them already.

Mr. Pickersgill: What is recognized in this part is that in the case of passenger services, which can be shown to the satisfaction of the Board of Transport Commissioners to be losing money, and which are considered essential, 80 per cent of the loss should be borne by the treasury. The reason for establishing this figure at 80 per cent rather than at 100 per cent is the hope that there will be some incentive on the part of the railway companies to operate more efficiently on these lines and thereby reduce their portion of the burden.

The provisions for rationalization and the consequent abandonment of branch lines are basically similar to those contained in the previous bill. This legislation provides that if a line can be shown to be unprofitable, but the commission decides it is essential in the public interest, the total loss will be borne by the treasury.

In this legislation we are introducing a whole new concept and approach to the question of rationalization and abandonment of railway lines. I hope, at the committee stage, to be able to give hon. members an illustration of the way in which we intend to approach this matter under the new legislation. This whole concept is now in the course of preparation. It has been represented to the government by many interests on the prairies, and this applies exclusively to the grain growing areas where almost the entire problem exists, that instead of starting out by deciding which of these lines should be abandoned the government should prescribe the lines that will, regardless of circumstances, be kept in operation for a period of years. This will mean that everyone along those lines will know that there is no danger of any of these branch lines being done away with until a certain prescribed date. In this way investors, elevator companies and merchants of all kinds will know that these branch lines will continue for a certain period of time, and they will be able to plan their investments with a degree of certainty that has never been possible or envisaged in previous legislation.

Mr. Douglas: Mr. Speaker, I wonder whether I may be allowed to ask the minister a question? Who will make the decision as to which lines will come within this prescribed period of time?

Mr. Pickersgill: The decision will be made by the governor in council.

Mr. Douglas: That decision will be made, of course, on the recommendation of the Minister of Transport, is that right?

Mr. Pickersgill: Yes. This whole process will be carried out only after intensive consultation and examination of the lines. That does not mean lines that are not guaranteed essential will necessarily be abandoned, but they will be the only ones that will be candidates for abandonment for a specified period of time. That period of time will be long enough to enable reasonable investments to be amortized.

We know that vast technological changes are taking place in the marketing of grain. Greater changes should be taking place than are taking place at the present time. One of the reasons these changes are not occurring as quickly as they should is that there is uncertainty as to which railway lines will survive. The provisions of this part should give not only a greater stability but also a greater incentive to improved handling facilities.

Perhaps the Minister of Finance (Mr. Sharp) will frown when I say this. Although there may be poor years, it looks to me as though we can expect better crops and a higher plateau of production than most of us, like the hon. member for Burnaby-Coquitlam (Mr. Douglas) and I, who are getting a little long in the tooth, used to regard as normal. We have not got facilities in Canada to handle in an efficient manner the amount of grain that is and will be produced. These facilities have to be expanded and modernized. This is one of the most important tasks facing the Canadian people today. A tremendous amount of our income comes from our grain production and I suspect that we will obtain a great deal more from grain in the future than we have until very recent years.

• (9:10 p.m.)

Mr. Douglas: Mr. Speaker, perhaps the minister would elaborate on this point while he is explaining the bill. Why has the minister decided that he and his department will make the determination about the lines that are sacrosanct and those which are to be submitted to the commission for determination? In view of the lack of research facilities, would this not seem to be the sort of role that the transport commission itself ought to pursue?

Mr. Kindt: Mr. Speaker, before the hon. member came into the chamber the minister said that he did not want his train of thought to be broken, and therefore we are refraining from asking questions until the minister has finished.

[Mr. Douglas.]

Mr. Pickersgill: I think that in fairness to other hon. members I should reserve answering that question until the end of my remarks. If I forget to answer the question at that time, perhaps the hon. gentleman would remind me.

One of the most important things for us to do is to make the maximum use for the time being of the facilities which we have for carrying grain. This means that if lines on which there is very light traffic can quickly, without much incommoding of anyone, be abandoned, that much more equipment of the railways will be available to be used that much more efficiently, and therefore they will be able to carry that much more grain. I think it is just as important to carry grain economically, efficiently and expeditously as it is to grow it efficiently and economically, if we are to obtain the maximum return for it.

There is no doubt that because there has not been sufficient modernization the handling of grain is not as efficient as it could be and as it should be, if we are to obtain the maximum returns, as we must. The problem is urgent. While it would no doubt be very desirable, if it could be done, to wait two or three more years and have a lot more research done before a beginning is made in this process, it does seem to me that if a reasonable consensus is arrived at—and that is what it is hoped will be done—it will be better in the public interest to have it known that a basic structure is there for a sufficiently long time to come to enable a measure of stability and progress to be safely embarked upon. I believe, Mr. Speaker, that this problem is very urgent and we have to get on with it, and fast.

With regard to the lines to be abandoned, the hon. member for Qu'Appelle (Mr. Hamilton) had some discussion with me in the house two years ago on this subject. The criterion that was followed in the past was that the biggest losers were the ones that the railways most wanted to abandon. I suppose that will still be true. But the line that loses the most is not always the one with the lightest traffic. It sometimes is; it usually is; but that is not always the case, as the hon. member for Burnaby-Coquitlam (Mr. Douglas) and the hon. member for Qu'Appelle know. A great deal depends upon the terrain. In deciding as to whether the lines are economical to operate, the criterion with regard to abandonment will be that the necessary steps will be taken to see that the applications are made first for those lines

which have the least density of traffic. The criterion that will be used will be as objective as possible in the light of information available to us.

Payments will be made from treasury, in respect of passenger traffic and branch lines which are not paying but which, in the public interest, it is decided to retain. However, Mr. Speaker, there is another very important area, one of the most important of all, especially in western Canada, and this concerns the rates in respect of export grain, usually known as the Crowsnest pass rates. The MacPherson commission found, with one commissioner dissenting, that these rates were not remunerative and recommended that a fixed amount, plus certain variable costs to be calculated, should be paid out of treasury in respect of this traffic.

There was a great deal of dissent in western Canada about this particular recommendation of the MacPherson commission. The government came to the conclusion that it would not be wise to put a figure in this bill, because any figure that was calculated in the earlier 1960's is obviously out of date, anyway. But since there was a good deal of dispute about whether there was a loss, there is provision in the bill that a costing study should be made over the next three years by the new commission. This will be a proper costing study. When that study has been made, the government can determine what, if any—and there are those who will say there should not be anything—payments should be made in respect of this traffic.

The more efficiently we handle the grain traffic, the less redundant services we have, the more likely these rates are to be really remunerative. Therefore every improvement that can be made in the next three years in the handling of grain will reduce the necessity for this kind of subsidy. We believe that in this way there will be a common interest for the farmers, the grain trade and the railways to work for efficiency. How is it possible for the railways to forgo a payment at the present time? I gave hon. members the figure a while ago of what is being paid to the railways in 1966.

Mr. Horner (Acadia): Mr. Speaker, it appears that the government wants to ruin the Crowsnest pass rates.

Mr. Pickersgill: I did not hear the hon. gentleman's verb.

Mr. Horner (Acadia): "Ruin"—do away with; abolish the Crowsnest pass rates. This is what the government is attempting to do, by not appointing an independent commission to study the question.

Mr. Pickersgill: The Crowsnest pass rates are going to be continued as long as the present Minister of Transport remains Minister of Transport.

Some hon. Members: Hear, hear.

Mr. Pickersgill: As has been stated by the Prime Minister every time he has sought the support of the people of Canada, this is a basic policy of the Liberal party. It remains so, and we intend to continue it. Let there be no mistake whatever about that.

Mr. Woolliams: With the fatality of the present Liberal ministers, that is a pretty dangerous policy.

Mr. Pickersgill: The basic principle of this bill is that with regard to any services that parliament requires the railways to perform that are not remunerative, the treasury, the taxpayers of Canada, should contribute the greater part of the loss, and not other shippers in other parts of the country. This seems to me to be only fair, right and reasonable. But we take the view that we do not have enough knowledge at the present time to make an estimate of what, if any, loss there may be in respect of these grain rates; therefore there is no figure put in the bill. It is not necessary to put a figure in the bill because there is an entirely new device in the bill of a transitional character. The subsidies being paid at the present time in respect of wages, namely $100 million, are so huge that they could not possibly be taken away from the railways next year when this legislation comes into effect.

• (9:20 p.m.)

That would just be disastrous to the railways. However, what we propose to do is to reduce those subsidies by 12.5 per cent starting in 1968 thereby phasing them out over eight years. In the meantime, although the passenger subsidy and the subsidy in respect of branch lines will be calculated, the railways will not receive them in addition but they will be deducted from the transitional subsidy so that they will not get the same subsidies twice. At a given point, four, five or six years hence, the subsidies paid in respect of these particular services are likely to

become as great as what is left of the transitional subsidies. The transitional grants will then disappear and the other subsidies take their place. In this way we will have plenty of time to do a proper costing. This will not be guesswork. In the meantime we will get rid of this huge, undifferentiated subsidy which is now being paid and which is a very unbusinesslike way, to put it mildly, of dealing with this problem.

In respect of rates other than the Crowsnest rates and the maritime freight rates, which of course will not be touched until the study is completed, and any new policy resulting from that study is evolved, apart from these rates and the Atlantic and eastern rates which are to be continued indefinitely, as well as the freight rate reduction in the Atlantic provinces which is to be continued for two more years, all other freight rates charged by the railways will fall into two classes. There will be those rates which are imposed upon captive shippers in cases where there are no alternative competitive ways of shipping goods. Those rates will be protected by a maximum rate and this will be the highest rate that the railway can charge. This does not mean that they will necessarily charge that rate, because most captive shippers today have agreed charges of one type or another. We have put two or three bills through this house in this session under which the railway branch lines have been based upon these agreed charges. However, every captive shipper will be protected by a maximum rate and the railway will not be able to charge a rate higher than that.

In the case of shippers who have an alternative mode of shipping which is genuinely competitive, the railways will be allowed to fix their charges, just as do other carriers such as trucks, ships or planes. In the main they will be able to compete for the traffic with other forms of transport. However, they will not be allowed to carry this competition to the point where the rates charged will become unremunerative. In other words, the railways will not be allowed to charge less than the cost of carrying the goods in order to put some competitor out of business. The rates they charge must be remunerative and the necessary provisions are contained in this bill to ascertain, in case of complaints, that they are. Those are the basic principles embodied in the railway section of the bill.

The other clauses are mostly of a tidying character and, as obviously the train is slowing down, I do not think I will impose upon the patience of the house by attempting to give any description of them this evening.

An hon. Member: Don't go on strike before you do.

Mr. Pickersgill: Of course the fact that a train stops when it arrives at its destination is not a strike.

Basically, the two important parts of this bill are the proposal to establish the Canadian Transport Commission, and the very comprehensive legislation with respect to railways. I do hope hon. members will feel that after a relatively brief general debate on second reading of this bill, the basic principles of which are similar to those of legislation prepared by the previous government, and similar to legislation introduced once before by this government and simply brought up to date to some degree, the general principles of this legislation will commend themselves to hon. members in all parts of the house and that, before very long we will be in a position to accept the bill, and to get on with the labourious task of going through this important legislation clause by clause in the transport committee.

I think, sir, that this is as much as I should inflict upon hon. members today.

Mr. Kindt: Mr. Speaker, while the minister is still in good humour and wishes to answer questions, I should like to ask him to explain the position of the freight rates on our coal shipments to Japan. I just received a telegram from the captive shippers from the Crowsnest pass. They are worried about this. I take it from what the minister has said that since the C.P.R. is hauling coal without competition from any other railroad and charging a rate of $5.30 per ton, this rate cannot be raised.

Mr. Pickersgill: I must say, sir, that I think it is almost two weeks since I was last brought up to date on this matter. I understand the Attorney General of British Columbia had a meeting with the shippers and the representatives of the railway. A suggestion was put forward that there might be an alternative way of shipping this coal through the United States, which none of us would like to see happen. As far as I can judge, there is some very hard bargaining taking place between the coal companies and the C.P.R. at the present time. It is my hope that that bargaining will result in a solution of this problem.

Mr. Kindt: Does the minister mean that there will be a commuter train from the Crowsnest pass to Port Moody where the coal is shipped? This is what the operators are striving for.

Mr. Pickersgill: Actually, the negotiations that are going on are between what are usually called two private interests in this country. The government is not a party to those negotiations. Both parties have come and talked to me about this matter at various times. Every so often I ask them how the negotiations are getting along because I am very much interested in this matter primarily as a Canadian and also because I am Minister of Transport. Under the law as it stands at present neither the minister nor anyone else would have the power to set the kind of rate that the mines may feel they have to have in order to be satisfactory.

Mr. Kindt: I have one other question, Mr. Speaker.

The Deputy Speaker: Order, please.

THE ROYAL ASSENT

The Deputy Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, September 1, 1966

Sir,

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, September 1, at 9.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General

• (9:30 p.m.)

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

The house resumed consideration of the motion of Mr. Pickersgill for the second reading of Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

Mr. Kindt: I have just one other question to ask the minister. The subvention on coal shipments to Japan is $2.73, and as the minister well knows the people in the Crowsnest pass area are dependant upon the shipment of coal to Japan. The minister is supporting those shipments. I wish to emphasize the fact that we do not want to see any increase in the present freight rate. If anything, we want to see a coal commuter train operated by the C.P.R. that will give us a rate of about $2.50 per ton. I hope the minister will work toward that end, as will the commission.

Mr. Olson: I should like to ask the minister if he would—

Mr. Cantelon: I rise on a question of personal privilege. When I asked the minister a question he said he would like to continue his address so that his train of thought would not be interrupted. I was courteous enough to agree and, at his request, wait until now to ask him a question. I have been interrupted once or twice now and I would not like to be interrupted again because I should like to ask this question now.

Mr. Olson: Out of courtesy to the hon. member I yield the floor to him.

Mr. Cantelon: The question I have to ask is probably the most important that could be asked of the minister, because it has to do with the matter of financing and, in particular, in the way in which this commission he is appointing to handle transportation is going to obtain information about railway operations. The minister says there will be expert help, he hopes, employed by the board. What I had in mind particularly was to ask him if there will be a firm of competent accountants engaged who will give their services to this board so that we may not have to depend entirely upon the figures the railways may supply. We should like to have impartial estimates for the use of the board and, I hope, for the use of the parliamentary committee on transport. This is my first question.

Mr. Pickersgill: It would be absolutely impossible for this proposed commission to do its work, I think, if it had to depend upon the accounting information provided by the railways, without any independent examination. Now, precisely how that would be done, whether it would be done by hiring outside experts or by engaging experts for the staff of the commission, it would be foolish of me to try to anticipate. I suspect both means would be used. I suspect they would have to have a considerable basic staff to do their costing. I would think that from time to time big problems would arise that were beyond

the capacity of the staff the commission could economically afford to hire, and they would then retain outside consulting firms of accountants, or other firms who would be able to supplement their own staff. This is the way I envisage it; but of course the details are not prescribed in the bill.

Mr. Cantelon: I thank the minister for that answer. The second question I have is one that has to do with a comment he made during his address. I believe he said it was possible that roads might have to take the place of railways. He went on to say, and I think I am using his own words, that there would have to be the fullest possible co-ordination and co-operation with the provinces. I should like to know, is this just a nice way of getting around a problem or does he really mean that there will be concrete aid to the provinces to build these roads and maintain them where rail lines are abandoned, or where there are new roads to be constructed.

Mr. Pickersgill: I think it would be competent to the commission, in certain circumstances where there would not be adequate alternate service to the railway, to assist in that way. This has happened once or twice already, and it is certainly not outside the scope of policy.

Mr. Olson: I have one short question. I want to ask the minister if he could provide the members of this house, and particularly the members of the transport committee, with some of the costs related to the carriage of a number of commodities for the so-called captive shippers so that we in this house, or other interested parties, could do some calculating on the basis of the formula that is in the bill, and thus reduce it to dollars and cents in so far as they might be concerned.

Mr. Pickersgill: I will make every effort I can to get any such information. I think it would be helpful to me if any hon. member could give me some illustrations of captive shippers in which he was particularly interested. Then, we would have something concrete upon which to work. I am well aware of a good many of the cases.

I remind hon. members that most captive shippers, or a great number of them at any rate, are large corporations. They do not rely on the protection of any general maximum rate, but already have made specific bargains, what we call agreed charges, with the railway. Generally, those rates are more advantageous than any general protection likely would be.

Hon. Alvin Hamilton (Qu'Appelle): During the five minutes that remain to me, I think I should put forward a proposal—

Mr. MacInnis (Cape Breton South): May I rise on a question of personal privilege? The Minister of Transport (Mr. Pickersgill) indicated that he did not want to receive any questions, as he indicated to the hon. member for Kindersley (Mr. Cantelon), until after he finished his remarks. I have been on my feet attempting to ask a question on several occasions, and you could not help but see me. During the minister's remarks he discriminated against members of this party, but when a member of the N.D.P. got to his feet to put several questions the minister answered. I have one question I am going to get across to the minister tonight, and I wish he would give an anwer.

The minister referred to the fact that next year there would be a reduction in subsidies. Will he not assure me and assure the miners of Cape Breton that any reduction in subsidies will not in any way interfere with the coal subvention to the Nova Scotia coal industry?

Mr. Pickersgill: It could not have any conceivable connection.

Mr. Hamilton: At the end of my remarks I had intended to make a proposal which I thought would be helpful to the house in moving more swiftly to grapple with the major problems on second reading. We have eliminated the resolution stage which, under the old rule, used to give members a chance to ask questions and get some points cleared up. This particular bill has in it at least a score of major principles which I feel sure every member feels need clarification. The mere fact that when the minister spoke on second reading tonight many of us wanted to ask questions is indicative of the fact that we have to know a great deal more before we can vote on the principles of this bill at second reading.

• (9:40 p.m.)

The proposal I want to make, which apparently we will be able to consider overnight, follows other precedents in the house. I want to move at the end of my remarks, which I presume will be tomorrow morning, that the subject matter of Bill No. C-231 be referred to the standing committee on transportation, provided however that despite this motion the said bill shall remain on the order paper

as an order for second reading without prejudice to the right to make or proceed with the motion for second reading.

What I am suggesting, Mr. Speaker, for the consideration of the party leaders or house leaders of the various parties is that before we can intelligently vote on the many principles which are inherent in this omnibus legislation we might be able to speed up things quite a bit if we were to move straight into committee stage, before continuing our full debate on the principle. I intend to make in the committee stage, if I am allowed, some proposals which I think can speed up the lengthy debate that I foresee on two sections of the bill. My proposals are five in number and are very simple, and I am sure that when they are heard will be recognized as a device to save a long, drawn out debate that we cannot otherwise avoid. I put this suggestion forward for the consideration of the house leaders and party leaders in the hope that this type of proposal, which is used mainly on private members motions and has only been used once on a government bill, will be considered in relation to this legislation.

In the few minutes that are left I want to make a remark or two about what the Minister of Transport (Mr. Pickersgill) has said. He stated that the MacPherson report was a sound report, that it was a tremendous effort to get at the basic considerations of the fundamentals of the railway industry. I agree with that statement, but there is one thing wrong with it. That commission was set up in 1959 when, in the minds of most of the economists and business people of this country, the railways were looked upon as a declining and almost dying industry. However, since 1961 the revolution has occurred, and the revolution is that instead of 400 million bushels of grain moving in a crop year in western Canada we are now moving 800 million bushels.

The railways are a type of industry which is operated mostly on a fixed cost basis. If you increase the number of units moving in a fixed cost operation, you drastically reduce your costs. Today no one in his right mind would even suggest that there is any loss involved in the haulage of grain. There has never been any conclusive proof that there was ever any loss. Not even the railroaders would suggest, except in a clownish moment, that there was any loss on the haulage of grain.

Mr. Pickersgill: That is precisely why the bill does not indicate any figure.

Mr. Hamilton: What I am trying to say is that this bill today, in 1966, is much better than the bill produced in 1964, but it is still hanging on to that old shibboleth that the industry is a dying industry which we must surround and protect.

I suggest that what we should do is to face the fact that not only is grain going to be a large item, but that by 1970 there will be more tons of potash hauled over the railways of western Canada to the west coast alone than there is wheat now sent to the west coast. We have 12 new pulp and paper mills to build on the prairies over the next decade which must transport their products west or south. We also need to transport zinc, sulphur, molybdenum and coal, the production of which is increasing at a fantastic pace. So that instead of thinking that our railways are dead and dying, a precept to which this bill still clings to a certain degree, we should abolish this type of thinking and begin to take advantage of the fact that we now have the green light.

Fortunately, we have in this bill one clause that gives me hope. I think that in committee we can take a look at the facts and figures, the maps and so on, and can remove the great fear which exists in western Canada and has existed since the royal commission report was brought down, namely that 15, 20 or 25 per cent of the people will have their railway lines abandoned. That fear should be removed immediately.

This should be done not on a five year or ten year basis. They should be told right now that every application has gone out of the window and that not one application presently before the board will be considered. Then when you have done that, all of us in committee can sit down with the board, and I believe that within a few days we should begin to show the people of the three prairie provinces that this great fear which has been hanging over them has gone, that all we are going to consider is a direction to the railways to operate their systems efficiently.

The system operating in the west can be operated so efficiently that there will be no need for any subsidies whatever. We will make so much money for the railways in western Canada that perhaps they will begin to pay wages to their employees which equal those paid in other industries. We hope that we will be able to show so much profit for the railways in western Canada that instead of increasing freight rates, they will have to be reduced.

That is the philosophy which I express in my remarks, Mr. Speaker, and I apologize to all hon. members of the house for jumping right into the theme of my remarks without building up to them as I had intended. However, I do want to get this feeling of optimism rather than pessimism before the house.

On page after page of this bill are listed the gruesome details of the procedure for abandoning rail lines, how a poster must be put up at every station along the line warning the people that an application has been made to close it. Even though the board or the governor in council has decreed that a particular line shall not be abandoned for a certain time, the people are nevertheless served notice that it may be abandoned some day, perhaps five years from now, perhaps three years from now. It is like living on death row, with the certain knowledge that you are not going to be painlessly removed but are going to be strangled by a slow death.

This fear, as I say, has to be removed, and that is where parliament comes in. If we can go into committee and get a statement from the minister, then after we have explained what is in our minds I think that 90 per cent of this fear, which is held by the minister, will vanish.

I knew what the minister meant when he said that it is a question of balancing the local interest against the national interest. He also said that the old bill of 1964 was the precursor of this one. Let us leave off the "pre"; everybody curses that bill because they knew what it was. The first bill of 1964 was a farce, so far as rationalization was concerned, and it was a sell-out so far as costing was concerned. My hon. friend from Kindersley was right on the ball when he mentioned that in his question.

Tonight the minister said that he knew it would not be very easy to get this bill through the house, and he quietly appealed in a hopeless sort of way that we reduce the amount of fighting. I say that there is a positive way to get at this bill, and a positive way which will have the support of every westerner in this house.

We are the lifeblood of the railways. We are also the biggest source of revenue that the railways have. We will make even more money for the railways. All we ask in exchange is that we take this rationalization concept and put it into effect. Then not in 10, 15 or 20 years—because that is what it will take when we get through all these ramifications—but in one, two or three years and

[Mr. Hamilton.]

before 1970 we will be out of the subsidy business in western Canada and will have the peace of mind which we have not had for many a decade.

We know that there are one or two little joining up lines which have to be closed, and we do not oppose this; we welcome it. We know that we have tried for years to get the railway to abandon lines in certain places. Certain lines run parallel, and you can take out a fishing pole and touch them for mile after mile.

• (9:50 p.m.)

This is hard to understand. We have known ever since the Duff report of 1934 that this was a losing situation for both railways. We note that the concept of joint running routes has been accepted. I can recall one case in Saskatchewan where the C.N.R. hauled grain 100 miles north and 100 miles south so that they would not have to cross a C.P.R. bridge. That is how archaic the system is. The C.P.R. was established on a favourable commercial basis but the C.N.R. was a hodge-podge and we have been paying the shot ever since. Now is the time to straighten out this hodge-podge and, without interfering with the right of the railways to manage their own affairs, say to them: For God's sake run the railways efficiently. If they will not do it, I want to see in this bill the power to require them to do it.

Maybe this is the principle which the government has in mind. I do not know what to recommend to my party. Should we support these principles when I do not know where the power lies? I should like the chance to question the minister before I vote on this bill on second reading.

I am sure the minister will find me as helpful as I was in the past on those committees which he mentioned tonight. After bill C-120 had been introduced at the resolution stage, he spoke and I spoke. I said I would support the principles which I thought were contained in the bill. The former member for Port Arthur was not as gullible as I was. He was suspicious. But I believed the government would not neglect the opportunity to place these railways on a national basis.

I did not get hold of the bill until 11.30 at night and I had not got beyond page 6 of it before I was on the telephone to farmers in western Canada and to the premiers of the provinces—

Mr. Pickersgill: I hope the hon. member will not mind my interrupting him for a moment. The leader of the house is not here.

Notwithstanding that Black Rod may not be here before ten o'clock, I presume we would not want to do him the discourtesy of not waiting, and I wonder whether the house will agree that the hon. member for Qu'Appelle should continue speaking? If he becomes exhausted, then someone else should carry on until the knock comes at the door.

Some hon. Members: Agreed.

Mr. Hamilton: I do not mind confessing that I am saving the bulk of my remarks for tomorrow.

Mr. Pickersgill: Slow down the pace, then.

Mr. Hamilton: I was saying that at 11.30 I got the bill. I had not gone beyond page 6 before I realized I had been led into a booby trap. I had to telephone farm leaders in western Canada and the premiers of the prairie provinces to say that the agreement I had made with them as a minister, the agreement between the grain companies, the railways, the three premiers and the federal government had been shot out of the window by the new bill, and that any remarks I had made on the resolution stage, observations made in good faith, had also gone out of the window. Within a few hours the minister had been made aware of the objections of the western leaders and as a result the bill never saw the light of day.

Later on I made a suggestion to the minister which was somewhat similar to the one I have just made. We met privately in an informal group representing the five parties to talk things over. As the minister may recall, we brought in outsiders. Some of us put forward reasonable and constructive suggestions for improving Bill No. C-120. All this was two years ago. Since then many of us have worked in a constructive attempt to improve that bill and make the rationalization concept workable.

Now the minister has put forward another idea, that of placing the power with a super board. The real power lies with the governor in council. I do not think this is necessarily a bad principle, because if we have to rely on the tender mercies of the Board of Transport Commissioners, whose decisions in the past few years have become precedents which have the force of law, our chances of improvement are slim I say this because the board are now prisoners of what they have been doing for many years.

Surely it is not wrong at the start of a new day for either parliament or the governor in council to take some positive initiative and lay down at least the terms on which these boards must operate?

Mr. Pickersgill: I wonder if I made it clear that the government was proposing to go even further along the road which the hon. gentleman is discussing that he has envisaged, that is, that we intend to indicate perfectly clearly that the basic network should not be disturbed at all, whether those lines were paying or losing lines? It would only be the really marginal lines which would be candidates for abandonment. The basic framework would be fixed, and everyone would know it was going to remain. I think this is what the hon. gentleman wants. It is a positive instead of a negative approach—not an approach from the viewpoint of abandonment but one from the viewpoint of the assured retention of all the lines which are really essential.

Mr. Speaker: Order. Was the hon. gentleman interrupting for the purpose of asking a question?

Mr. Pickersgill: I was asking a question.

Mr. Hamilton: Thank you for your protection, Mr. Speaker. I think you understand the difficulties under which I am working. I understand precisely why the minister has raised this question and it demonstrates, in my opinion, that the suggestion I have made is a sensible one. If we carry on here for the next two or three weeks on the basis of question and answer in the house we cannot hope to do our work effectively. I believe that if we could get together on these ideas it would be possible to remove many of the fears which are felt by representatives on this side of the house who come from farming areas. If these fears could be removed the minister might be amazed how forward looking we can be. If the minister would back this proposal and use his good offices with hon. members in all parts of the house, because there must be unanimous agreement, I think we would have a really good session because our ideas have advanced considerably during these past few years.

I wish to turn now, to another matter, one which is, I believe, the guts of the railway bill. This is where the big quarrel will take place. We shall fight on the question of maximum rate controls. Many ideas will be put forward as to how the passenger service should work in a country where the population density is hardly sufficient to maintain it at a profit. There will be ideas expressed on

this and that. But there is one thing the minister should know. I believe he knows it already. Who is to decide on the formulae for costing? Throughout the bill it is stated that costing shall be as decided by the board. The minister has admitted that the board is not competent to deal with costing, and we all agree with that.

Mr. Pickersgill: I am sure the hon. member does not wish to be unfair to people who are not represented here. I did not say the board was not competent. I said it did not have an adequate staff to enable it to do the job in the way we should like it to be done.

• (10:00 p.m.)

Mr. Hamilton: If the minister wishes to put it like that, I will accept it. I will add something else—that none of us in this house is competent, either. When the question of the Crowsnest pass rates came up there were protests from all western provinces. The C.P.R. hired one of the most able and competent cost accountant firms they could find in the United States, who had done cost accounting on railways, to look at the figures for 1958 for the carriage of grain in Canada. After several months work they came up with figures allocating certain costs, and said that on the carriage of grain in 1958 the C.P.R. had lost $17 million.

This caused an uproar from the three prairie provinces and they decided to spend good money on a similar study. They went out and hired an equally able, experienced cost accounting firm in the United States to examine exactly the same figures as the previous firm had done. This second firm allocated them slightly differently and said no, the C.P.R. did not lose money that year, but had made $2 million. What was the royal commission to do? It went out and got another firm of equally able, competent people to examine the figures and they said, "Neither is right; we think it is probably in between," and so they set the loss at $500,000. This is a humorous anecdote of what actually happened. The Board of Transport Commissioners are simply not in this costing league. This is not new. The gas industry has been operating in North America for 60 years and still no costing system has been decided upon.

When the experts cannot agree, then we in parliament have some part to play. We shall have to lay down the terms of reference between these experts and say that for the next two years or five years this shall be the costing system, and perhaps change it at the end of that period to a new system.

[Mr. Hamilton.]

Now, Mr. Speaker, I have gone beyond ten o'clock because I wanted to get something on the record tonight in answer to what the minister had said, first to make absolutely clear that I think we in this house should reject this pessimistic feeling about railroads.

Railways have been and will continue to be a very important part of our transportation system. Over and over again the railways have demonstrated that when you kick them high enough they can do fantastic things. This year, after we in the House of Commons finally blew our top, what the railways were able to do with the movement of grain was unbelievable. They actually brought in more motive power. They railroaded as never before. One of these days they are going to get so smart that they are going to build or buy a proper car for carrying grain which, instead of taking 20 minutes to load, can be loaded or unloaded in 12, 14 or 16 seconds. Then they will find their cost-profit relationship sweet.

Therefore I say that in this matter of looking at the railway bill we have to examine it minutely and realize we are setting the basic framework on which railways will operate, and which may guide the transportation industry of this country for a generation or two.

The question of the super board is one on which many of our members will want to ask the minister many questions. We want to know how it is going to relate the functions of a railway, in the traditional sense, to a railway looking on itself as an arm of the transportation industry. There is not a railway company in existence that should not be a full transportation company. If they can transport things by rail they should also be in the air business, the water business, the hovercraft business and the pipe line business, in fact in any other thing that transports goods, and that should be an integral part of their operations in order to achieve maximum efficiency.

Here in Canada where so many of our goods will be carried by pipe lines, the railways are naturals to go into the business of operating and building pipe lines, in some cases in competition with each other, and in other cases working jointly. This is one of the things we should see popping up in this bill.

But as I read the bill all the enthusiasm for what a railway company can become in Canada, with these great distances which are a great opportunity for them, dies as I look at the duties of this super board. What are their

duties? They are to study this, study that, study this, and after a while study this. We need the statistics, yes; but surely parliament can give them some direction as to what we want them to do. There is another series of questions. If we take over the interprovincial trucking lines and the interprovincial buses and reach the point where the railways carry passengers on rail while the other carries passengers on rubber, and where the one carries freight on rail and the other carries freight on rubber, what is the relationship to the rate setting pattern? The railways are prohibited from setting a rate below compensatory levels. What is the situation in respect of the trucks. This is the sort of question to which the government will have to have answers. We have to have those answers before we know how to vote on the principles. So, I am going to move the adjournment of the house—

Mr. Pickersgill: I hope not. The house agreed to continue to sit until Black Rod arrived.

Mr. Hamilton: I think we can move the adjournment and wait for Black Rod, because I do not want to lose the opportunity to make the remarks I wish to make tomorrow.

THE ROYAL ASSENT

A message was delivered by Major C.R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

• (10:20 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General has been pleased to give, in Her Majesty's name, the royal assent to a certain bill:

An Act to provide for the resumption of operations of railways and for the settlement of the existing dispute with respect to terms and conditions of employment between Railway Companies and their employees.

At 10.23 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, September 2, 1966

The house met at 11 a.m.

COMMONWEALTH RELATIONS

MATTERS TO BE DISCUSSED AT FORTHCOMING CONFERENCE

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as a result of the question asked yesterday by the right hon. Leader of the Opposition I promised I would make a statement on motions in respect of the forthcoming Commonwealth prime ministers' conference. The situation in Canada at the moment happily is such that I expect to be able to leave Ottawa tomorrow to attend the conference in London.

At that conference all but one of the members of the Commonwealth will be represented. There are now, I believe, 23 members of the Commonwealth. This shows how it has grown over recent years. The growth reflects the changed nature of the Commonwealth and indeed the changed nature of the world, because of these 23 members of the Commonwealth all but six are from Asia, Africa or the Caribbean area; all but Canada, the United Kingdom, Australia, New Zealand, Cyprus and Malta.

I believe there will be 12 or 13 prime ministers who will attend this conference, and in cases where prime ministers are unable to attend, as unfortunately is the case in respect of some members of the Commonwealth, those countries will be represented generally by their foreign or other ministers.

This will be the first meeting of the prime ministers at which a Commonwealth secretariat will be entirely in charge of the arrangements. The secretary general of the Commonwealth secretariat, a distinguished former official of the Department of External Affairs, will be the secretary general of the conference.

Undoubtedly there will be a wide range of subjects discussed. Over the years it has been the custom not to indicate in advance by means of an agenda what those subjects will be. This is a tradition which to me does not seem to have very much meaning in the present circumstances, but is one which always has been followed. So when there is a discussion of the Commonwealth meeting in advance it is customary to say: "the following subjects likely will be discussed although no agenda has been agreed upon."

I do not think I would be betraying any secret if I were to mention two or three of the things which undoubtedly will be considered.

• (11:10 a.m.)

The international picture generally is reviewed by the Commonwealth prime ministers, and on this occasion I am quite certain that the review will include consideration of the Viet Nam situation. It will be remembered that at the last meeting of the Commonwealth prime ministers in London over a year ago the prime ministers had a very active and, I think, valuable discussion about the Viet Nam situation, as a result of which a mission of four Commonwealth prime ministers was established and charged, if the parties to the conflict agreed, to do what they could to intervene in and mediate that situation.

It is perhaps not remembered as it should be that this mission—and three of the four members were heads of government from countries uncommitted in any way—was accepted for a visit by the governments of South Viet Nam and the United States, both of which were directly concerned, but that mission was completely rejected by the government of North Viet Nam, which made it quite clear it would not receive it in any way, shape or form. In any event, this situation will be considered again, I am sure.

There will also be a review of the disarmament position and I would expect, with particular reference to steps that have been or should be taken to prevent the proliferation of nuclear weapons. There will be very little at this conference in the way of economic and financial discussions; not that they are unimportant because, of course, they are, but it is extremely difficult to separate the problems in this field inside the Commonwealth association from those problems which are of world wide significance.

As I indicated the other day, there will be a meeting of the International Monetary Fund in September, at which time these matters will be discussed. Perhaps I should also have mentioned the other day that there

will be a meeting of the Commonwealth ministers of finance in Montreal beginning September 21, at which time they will review the matters which will later come before the International Monetary Fund.

I am quite certain that the most important and the most difficult question to come before the Commonwealth prime ministers will be that of Rhodesia. It is because of that question I have said, and I do not think this is an exaggeration, that the future of the Commonwealth as a multiracial association—and that is the only basis on which it has a future—will be at stake at this meeting. In that sense the meeting will be crucial to the evolution or, indeed, the devolution of the Commonwealth of nations.

There are very deep differences of opinion in regard to the Rhodesian situation and what should be done to ensure that the illegal regime in authority there ceases to exercise that authority. These deep differences of opinion can and I think will be discussed in London in the traditional Commonwealth conference manner of complete frankness and understanding. I hope this discussion will result in some progress toward a solution to this very difficult question. We will certainly need at this conference all those qualities of frankness and freedom of discussion, and a feeling that there can be that kind of discussion conducted in mutual respect and without danger of violent misunderstanding.

So far as our own attitude is concerned, it would, of course, not be wise or prudent for me, before the conference, to indicate in detail what will be the policy of the Canadian delegation in respect of the detailed matters as they arise. It is certainly not wise to take firm and public positions on specific issues before a conference of this kind actually meets. Our basic policy in regard to Rhodesia has been made known. There have been discussions in the House of Commons, questions have been asked and answered from time to time, and there was a very good discussion of the matter before the committee on external affairs. Indeed, if it would help in any way I have no doubt that these discussions could all be put together and a memorandum or some kind of white paper issued with regard to them.

From the beginning this government, I think with the approval of all members of the house, has co-operated fully in regard to the imposition of sanctions against the illegal regime in Rhodesia. We have taken part in economic pressures which it was hoped would bring to an end the illegal régime in that country and restore constitutional government to Rhodesia, as a first step to eventual independence on the basis of majority rule, which is the only basis on which independence can be established and accepted.

Some hon. Members: Hear, hear.

Mr. Pearson: We have also co-operated as a government, I believe with the support of parliament, in carrying out resolutions of the United Nations security council and in carrying out the agreements of the prime ministers' conferences. We have not questioned, nor do we question now, the decision of the British government, which still has the ultimate constitutional responsibility for that country, not to use military or armed force against Rhodesia unless, as the Prime Minister of Great Britain said, such force was necessary to restore law and order. I have no doubt this matter will be re-examined at the forthcoming conference. We will certainly examine also the working of sanctions. For that purpose we will have a very detailed report from the sanctions committee which was set up after the conference of last January in Nigeria and is presided over by the Canadian high commissioner in London. We will be examining this report to see how and whether sanctions could be strengthened.

There is no doubt that the operation of sanctions as a method of bringing the regime to an end has been disappointing and that disappointment, I am sure, will be expressed in the reports we will receive. There is no doubt also that sanctions are having an effect on the economy of Rhodesia. In my own view there are still further steps that could be taken to strengthen economic pressures through sanctions. I have no doubt that proposals will be made to this end, and that one of these will be to refer the matter to the United Nations so that United Nations mandatory sanctions could be applied, either full or limited mandatory sanctions, under chapter 7 of the United Nations charter.

Under that chapter provision is made for the application of economic sanctions and military sanctions. I have always taken the stand, and I am sure hon. members agree with this, that imposing military sanctions under chapter 7 of the charter of the United Nations or under resolutions of the general assembly does not imply the use of force in the conventional sense. Nevertheless I am certain that before any use of force was contemplated under chapter 7 of the charter

there would be a full examination of whether economic sanctions under the United Nations could be applied and made effective. All these matters will be discussed and I have no idea what the results of these discussions will be.

• (11:20 a.m.)

There is a very special problem with which we and other members of the Commonwealth are concerned, namely the relationship of Zambia in this situation. Zambia, which unfortunately will not be represented by its president, Kenneth Kaunda, who is one of the wise and moderating influences in African development and who will be represented by his foreign minister, is in the unenviable position of being as anxious as any country could be to see the illegal regime in Rhodesia brought to an end and replaced by one where the majority will prevail. However, at the same time Zambia is very dependent at the present time upon Rhodesia for its economic existence. If Zambia is to release itself from that dependence it is going to need economic and financial assistance from its friends in the Commonwealth and, I would hope, from outside the Commonwealth. For instance, it is an anomalous and ironic situation that one third of Rhodesian exports go to Zambia, yet Zambia is not in a position at the present time to cut off that one third which would inflict real economic damage on Rhodesia because it would destroy itself economically in the process.

This is the problem that has been actively considered in recent weeks, and proposals for assistance to Zambia by the United Kingdom and by other members of the Commonwealth including Canada will undoubtedly be considered at the conference.

Mr. Speaker, I regret that I cannot go into further details at the present time, but that is a summary of the situation which I think will confront us at the meeting which will open in London at the beginning of next week. I can only hope that out of this meeting will come some agreement which will help to solve the problems we will be facing, especially the problem of Rhodesia, the difficulty and complexity of which is greater than that which has faced, I think, any meeting of Commonwealth prime ministers.

On our ability to find some satisfactory solution to that problem, or some satisfactory progress to a solution, I think, might well depend the existence of the Commonwealth of Nations which we now know as a multiracial institution spanning the continents and including people of all races, of all colours and all creeds on the basis of complete equality.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the meetings of the prime ministers of the Commonwealth are of great importance for the Commonwealth and for the peace of the world. I am happy to hear the Prime Minister's reference to the multiracial nature of the Commonwealth as being of paramount significance.

I recall the criticism in 1960 and 1961 when I took the stand—the only white prime minister to do so—that without the principle that the Commonwealth must be colour blind it could not survive. I have not changed that view. What was heresy then is now accepted.

The fact that the Prime Minister will be able to attend the conference is naturally a matter of personal pleasure. I suggested that he should do so. I brought the matter before the house, because I think it is imperative that he be there.

A prime minister's conference without prime ministers is not effective, and one of my regrets, based on the information which appeared in the press, is that the prime minister of India will not be there nor will the president of Pakistan. These are the highest representatives of areas inhabited by approximately three quarters of the population of the Commonwealth. Therefore, authoritative representations by those countries will be lacking. No one except the leaders of countries can speak for them with the authority that is necessary.

With regard to the second portion of the Prime Minister's remarks dealing with the meeting itself, I am of the opinion—and there can be disagreement with this—that it is not necessary to have a prime ministers' conference at this time. Three of them will have been called in one year. The first was in January in Africa, the second for June, and another now.

As the Prime Minister stated, the problem of Rhodesia is the one above all others that will be receiving attention. Naturally there will be a review of the world situation. The question of disarmament will receive its regular and unfinalistic review. However, the major problem is Rhodesia.

• (11:30 a.m.)

We in this party have taken the stand that Rhodesia is a matter for the United Kingdom and the responsibility of the United Kingdom. The particular relationship of Rhodesia to the

United Kingdom places that problem in that category. I am not saying what happens there does not have an effect elsewhere in the world on the relationship between the whites and the blacks. However, the problem of Rhodesia cannot be solved by the United Kingdom placing it before a prime ministers' conference. I was strongly criticized, as were the hon. members for Winnipeg South Centre (Mr. Churchill) and Oxford (Mr. Nesbitt), when we contended that the policy of sanctions would not work. It does not require a report by a committee of the Commonwealth nations for it to be known that sanctions have not worked. They have had their effect; they have interfered with various areas and sectors of the economy, but they just have not worked. Sanctions, on the basis of history, will not work.

Yet, one member of the government after the other, including the Secretary of State for External Affairs (Mr. Martin), as far back as June last claimed they were working effectively. Well this is not the first time that predictions of that kind have not been borne out by events. It is generally admitted now that they have not worked. It is admitted by the Prime Minister of the United Kingdom, by Sir Edgar Whitehead in a recent article and by one of the great Commonwealth leaders Sir Roy Welensky. It is attested by the fact that the Smith regime is carrying on with no discernible discomfort and that Zambia will continue to be dependent on Rhodesia for oil. They have not worked. Naturally the British government wants a Commonwealth conference. This is the problem of the Wilson government, which said that it had the answers to this question. I want to emphasize that this is not our problem. Mr. Wilson said that his solution would work. Now apparently the responsibility is again to be dissembled among the Commonwealth nations. Three meetings in one year are at least one too many. It does not make for unity to meet together regularly and not have anything particularly in mind; and there is nothing in mind on this problem except, as the Prime Minister has said, that the matter might be brought before the United Nations, and I will refer to that in a moment.

The Prime Minister mentioned, and properly, the tremendous growth of the Commonwealth with, I think he said, 23 members now. What is going to happen there? I have expressed this fear before. Today the Prime Minister speaks almost lugubriously of the prospects for the Commonwealth. Months ago and prior to June my concern, as I expressed it, was that if a vote should take place at the prime ministers' conference, with the overwhelming number of the members of the Commonwealth of other than the white race, and that vote should be unacceptable to Canada, or Australia, or New Zealand, or the United Kingdom, then you have the beginning of the disintegration of the Commonwealth. That is why I fear for this meeting. It will either end with a communiqué which could have been written even before the conference began, which I am told sometimes occurs, or the conference could end in a cleavage and a division that would have irreparably detrimental results to the whole concept.

The Commonwealth is an amazing institution. It has no rules, no regulations, no agreement; no decisions are made, yet it has worked. I share the Prime Minister's fear that this meeting will bring about a situation that will lead to the most frightening results not in the years ahead but in the months ahead. It is because of this that I have so strongly pressed that the conference ought not to meet at this time. Time to cool has its benefits.

I know that in the last few days events have occurred that are bound to cause concern. It was only a few moments before I came into the house that I realized that this matter was going to be discussed; therefore I have before me only a few references. In the last few days Mr. Smith has acted in a way that would indicate that he is trying to meet in anticipation any action on the part of the prime ministers' conference. Up to the present Prime Minister Wilson has been talking about talks about talks. This pretty well ended in the last few days. The talks have halted, but to all intents and purposes they ended on August 25, when a bill was introduced in the Rhodesian parliament which was disastrous to the negotiations. This was a deliberate and contemptuous act designed to indicate in advance to the Commonwealth prime ministers' conference the contempt which Mr. Smith and those associated with him have for the Commonwealth.

What are the prime ministers going to do? Are they going to send the issue to the United Nations? In his statement yesterday U Thant indicated that the United Nations is in a serious position apparently unequalled in all the years of its existence. If the matter is placed before the United Nations, what will

the United Nations do? What can they do? Are we going to have the United Nations determining the rights of individuals and the authority of a de facto government of a country which is not a member of that institution? The responsibility here rests firmly on the parliament of the United Kingdom. I repeat that Prime Minister Wilson said only a few months ago that he had the magic solution to this problem.

The Prime Minister now says, let me repeat, that the matter should be put before the United Nations. Well, as far back as January 11 or 12 of 1966 he stated that if it was not clear within a matter of weeks rather than months that existing sanctions were ending the rebellion, then further measures would have to be considered, including action in the United Nations under chapter 7. He referred to "a few weeks"; it is now months.

Chapter 7 implies military action in part. It is easy to talk of that. The Prime Minister brushed it aside, and I agree with his view. Canada should have no place whatever in any military actions that may be determined upon in this connection against a country within the Commonwealth; and no Canadian forces should be used, whether under the United Nations or otherwise, for that purpose.

• (11:40 a.m.)

We are in Cyprus as a self-appointed international policeman, at our own expense and we shall continue to pay. When I look at unification and integration and the mess they are in I can only conclude that we have come to a point in Canada where Canada's defence is to be forgotten, and in place of it involvement in international forces will be the rule. I am not going to deal with that now but I hope very shortly to do so. I can make some quotations from the texts of the minister of defence.

Having said that, I say to the Prime Minister that we can only hope this meeting will be productive of something positive regarding the Rhodesian problem. I do not know what it will be. The government has contended since last April that the sanctions were successful. Indeed, On April 20 last at page 4069 of *Hansard* I asked the question, and the answer was:

> —the embargo is being enforced; the embargo is successful.

All I have to say is that it does not turn out that way. We in Canada can support the need of sanctions to raise the standard of international conduct or action within the Commonwealth, with no fear of suffering in Canada; because we have no trade to speak of in that area. Will the United Kingdom be willing to agree to sanctions, harsh sanctions, against not only Rhodesia but other countries such as Portugal and South Africa? Because unless that is done the sanctions cannot work; and if it is done, and Britain accepts the views of the United Nations on these things and says "We have got to clamp down on this; the sanctions must be made to work," the British crown and trade will suffer seriously and the depreciation is bound to be great, so that any question of submitting these matters to the United Nations is not very hopeful.

Indeed, that has been tried. It was tried back in May. The African nations called for the use of force in Rhodesia, I think on May 23 last, and they came before the security council. Six of the council's 15 members voted for the resolution. Among the Commonwealth there were Nigeria and Uganda. But the United States, Britain, the Netherlands, France, China, Japan, the Argentine and Uruguay abstained, with New Zealand voting against, so there is little hope that action will be taken if this matter goes to the United Nations. It is easier to state the problem than to be able to come up with any solution.

What is happening in Africa is that there is a rush toward democratic institutions and freedom without the knowledge of the operating techniques of freedom. All those countries that have rushed in to attain freedom find themselves in a serious situation. When the Prime Minister was in Nigeria, at the conference in January, he was greeted by Sir Abubakar, one of the great democratic leaders in an emerging nation, a man for whom I developed tremendous respect. A few days later he was destroyed.

What is to be done? Is it possible that the government of Canada might consider sending representatives to Rhodesia, to meet there with the representatives of the Smith administration to try and bring about something? The British cannot do it; they have shown that. The other night on television a young man with the solution for all the problems of mankind stated that Canada enjoys a high prestige in Africa. I believe that. When we were in office we were able to provide assistance to those new countries which had broken away from France and become established because of our peculiar position here in Canada. We did that, and

that has been continued under the present government.

We have a good and excellent standing among emerging nations. Would it not be a good idea if the Prime Minister and the Secretary of State for External Affairs were to go and try at first hand to do that which has not been achieved by the British government, which is naturally an interested party in any decisions taken, so through the medium of Canada there might be brought about some relationship which will ultimately lead to that which we all desire, namely peace with equity, and peace with the recognition that whatever the colour of a man's skin, men are equal and their rights must be respected.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the prime ministers' conference which is to begin early next week meets against a background which is gloomy and foreboding. One has only to read the letter which Secretary General U Thant wrote to the security council announcing that he will not be available for another term to realize just how serious the world situation is. I think every member of parliament ought to read that letter, to see in it the despair of a man who is probably more intimately associated with the forces at work in the world today than any other human being. He cites the lack of financial support for the United Nations. He cites the war in Viet Nam as an action which in his opinion, if not stopped, could ultimately lead to a major catastrophe.

• (11:50 a.m.)

Therefore it seems to me that the Commonwealth prime ministers are meeting at a most appropriate time. The right hon. Prime Minister said that two subjects would be discussed, one being the question of Viet Nam. I think it is a matter of regret that the Commonwealth prime ministers' delegation which endeavoured to meet with the various parties in the Viet Nam dispute was rejected by some of the disputants. This is a view which I expressed as forcefully as I could when our parliamentary delegation met Mr. Mikoyan, who at that time was President of the U.S.S.R. However, I hope the prime ministers' conference will not allow this rejection to dissuade them from whatever other action they can take.

One of the hopeful signs is that Canada and India, two of the members of the Commonwealth, are two of the members on the international control commission. If it is not possible to get the two co-chairmen of the Geneva accord powers to reconvene that conference, I think Canada and India might well discuss the possibility of themselves calling a conference and inviting all those who are affected, including the national liberation front in South Viet Nam.

It may be that Peking and Hanoi would refuse to attend, although I seriously doubt it. I doubt if they could stay away from a conference called by two members of the international control commission, two countries which have nothing to gain by prolonging the war in Viet Nam.

I hope the Prime Minister will use all the influence he can to persuade the Commonwealth Prime Ministers to speak out on the question of Viet Nam, and to urge the Commonwealth at least to endorse publicly the basic proposals put forth by U Thant, the secretary general of the United Nations, for a cessation of the bombing, for a conference of all groups including the national liberation front, for the eventual withdrawal of all foreign troops, and for the right of the people in Viet Nam to determine in free elections what form of government they wish to have.

The second question the Prime Minister said will be discussed is Rhodesia. I cannot agree with the right hon. Leader of the Opposition that this conference should not be held at this time. I think it is imperative that the conference should be held at this time. It is true that constitutionally this problem is the responsibility of Great Britain, but if all the members of the Commonwealth, including Canada, do nothing; if there is no attempt to find a solution, what will inevitably happen is that members of the Commonwealth in Africa and even in Asia may one by one withdraw from the Commonwealth.

We can destroy the Commonwealth by inaction. We cannot do any harm by having the prime ministers meet. While it may be Great Britain's responsibility even the British government, or any other government, is surely not averse to getting the consensus of other nations which are equally concerned about preserving the Commonwealth as a force in the world. I think this is the time for the prime ministers of the Commonwealth to meet.

It is true that there is no easy solution, but it seems to me there are three courses of action open. The first is to do nothing and to allow matters to go on just as they are. Apparently the economic sanctions have not been

completely effective, although undoubtedly they have had some effect. But if nothing is done there will undoubtedly be a withdrawal of some of the African Commonwealth countries from this association, and that could even be followed by the withdrawal of some of the Asiatic members from the Commonwealth.

If Mr. Ian Smith and his illegal régime carry out their threat of revising the constitution so that Mr. Smith can jail his opponents without trial, there could be bloodshed in Africa; there could be intervention by other African countries; there could be the beginning of a war between Africans and whites that would shake that whole unhappy continent. It seems to me that to take the policy of despair and say there is nothing we can do, and just let events take their course, is a complete abdication of statesmanship.

With respect to the other alternative that has been mentioned, of military sanctions against Rhodesia, apart from the moral consideration it is doubtful if Great Britain could assemble a military force and launch a military attack against a country as isolated as Rhodesia. There is another consideration apart from the military logistics. It is that a war between the forces of Great Britain or the Commonwealth and the illegal régime of Mr. Ian Smith might be an invitation to the 4 million blacks in that country to rise, and an invitation to other African countries to intervene.

It seems to me that the only solution which appears to be in sight at the moment, unless the prime ministers when they meet next week find some better proposal, is to submit this matter to the United Nations and ask the United Nations to impose mandatory economic sanctions. I recognize all that has been said about what this would entail. It may mean not only economic sanctions against Rhodesia but may mean economic sanctions against Portugal and South Africa. I recognize that Great Britain is very dependent at the present time upon its trade relations with South Africa, and that the imposition of mandatory economic sanctions by the United Nations under its charter would involve very considerable financial sacrifices for the United Kingdom.

But, Mr. Speaker, peace, like everything else, has a price. We have to decide whether we are prepared to pay the price to maintain a world in which the rule of law obtains. We must decide whether we are going to see a police state with a racist government continue a policy which could lead to a conflagration in Africa, or whether the United Nations will take whatever steps are necessary to guarantee the freedom of over 4 million Africans who at the present time are living under a totalitarian régime imposed upon them by less than a quarter of a million white supremacists.

I think Canada has to give its support to any such proposal if the Commonwealth is prepared to make an advance to the United Nations. It has been asked, "What can the United Nations do"? Well, Mr. Speaker, if we adopt a policy of despair that the United Nations can do nothing, and if this body, which was launched with such hope and optimism in 1945, is now so completely decrepit and useless that we cannot refer this matter to it, the future is filled with impending gloom.

• (12 noon)

I for one do not regret that Canada has contributed to the maintenance of peace in Gaza, Cyprus or anywhere else. Any small price Canada has paid out of its great affluence to maintain peace in any part of the world is a small price to pay. Peace is indivisible. Wherever there is war, dissention or racial discrimination in any part of the earth the peace of the world is in danger and the freedom of mankind is at stake. If Canada, by giving its support wherever such contribution is necessary financially, whatever sacrifices are involved, can contribute to the establishment of a genuine democratic government in Rhodesia with equality of treatment for all its citizens whether black or white, that, Mr. Speaker, will be a small price to pay for reaching such a satisfactory situation. I hope the Prime Minister will use his very considerable influence at this conference, in the absence of any other course of action which with his knowledge of the facts may seem preferable, to urge that the situation not be allowed to deteriorate further and, if Great Britain does not feel it can act on its own or if the Commonwealth does not feel it has any solution at hand, to urge that this matter be taken to the United Nations with a request that they deal with this troubled spot before it spreads throughout Africa and endangers the peace of the world.

The Prime Minister of Canada goes to this conference with very considerable prestige, prestige on his own account because of his long record in international affairs and his well-known interest in the cause of peace. He

also goes with considerable prestige because Canada is a country which has the respect and I think the affection of many of the countries of Africa and Asia. We have stood with them on many occasions not only under the present Prime Minister but also under the former prime minister. We have stood with the African and Asian people in many of their disputes with the western powers. I think Canada is respected and will be listened to.

I believe our Prime Minister probably can wield more influence in discussions with the Commonwealth leaders of Africa and Asia than can any other white leader who will be present at this conference next week. Therefore I say to the Prime Minister that he goes to this conference, I am sure, with the best wishes of the Canadian people and carries on his shoulders our hopes and aspirations. It is our hope that he and his colleagues will be able to find some of the answers which will help promote and maintain peace in the world.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the Prime Minister (Mr. Pearson) told us that 12 or 13 prime ministers of commonwealth nations would meet in London in a few days.

According to the Prime Minister, the international situation will be discussed during this conference. It is perfectly normal that prime ministers of commonwealth nations deal with the international situation and they will naturally discuss the American escalation in Viet Nam.

But I do not see how the commonwealth prime ministers could decide anything about Viet Nam. Since Canada is geographically located next to the most powerful country in the world, in the past the American government and the Canadian government have discussed the Viet Nam issue and will continue to do so in the future without seeking the advice of the other prime ministers of commonwealth nations because in some cases, Canada has to take positions that other commonwealth countries do not have or do not want to take. This is quite normal, precisely because of our geographical location and the close ties between the American and the Canadian people.

Another subject that will probably be brought up is that inflation which is presently causing great damage in Great Britain and in many other countries. But it seems that the most debated question will be that of Rhodesia. As a matter of fact, the Prime Minister devoted two thirds of his statement to the Rhodesian problem. Before dealing with Rhodesia, the Prime Minister announced that the Ministers of Finance will meet on September 21 in Montreal to review our position with regard to the International Monetary Fund. I sincerely hope and suggest to the Prime Minister that he bring together the federal and provincial Ministers of Finance in order to review our monetary position right here without having to resort to the International Monetary Fund.

To revert to the question of Rhodesia, Mr. Speaker, the Prime Minister said that Canada had to impose economic restrictions in the case of Rhodesia because the government there is illegal.

I am not questioning the fact that there is an illegal government in Rhodesia, but Rhodesia is not the only country with an illegal government. I suspect that in Russia, the government there is not quite legal. I do not think that in China, the government is quite legal either. In Cuba, the government is not quite legal. In other countries of the world there are governments that are not quite legal, but this does not prevent us from dealing with them, from making large deals with them.

Now, as for Rhodesia, we must be concerned directly in its situation, or rather in the position they are taking.

This should not be taken to mean that I approve what the present illegal government of Rhodesia is doing in that country, far from it, but I am in full agreement with the Leader of the Opposition (Mr. Diefenbaker) when he says, for instance, that the problem of Rhodesia is no concern of Canada, it is the concern of Britain. This is true. This concerns the Wilson government, in Britain.

It does not concern us here. There have been skirmishes between Britain and Rhodesia, but that is no concern of ours. We have nothing to do with that and the Leader of the Opposition is right on that score. I understand the problem is most delicate and that every means are being sought to sanction and strangle Rhodesia and incite the people of Rhodesia to throw out a government which is considered illegal.

The people, men, women, and children suffer from these economic sanctions pressed upon them, because an illegal government is

in power, like so many others all over the world.

Mr. Speaker, the problem is delicate and the right hon. Prime Minister informs us that Zambia is ready to co-operate with Canada and the other countries, but cannot afford to do so since it depends upon Rhodesia for two-thirds of its needs. It cannot do without Rhodesia. Canada could grant Zambia massive exports in order to substitute for Rhodesia.

Mr. Speaker, I do not feel these considerations contribute to the settlement of the Rhodesian question. Neither do I believe that Canada should be very much involved in the affair. I do not feel it should be. And for these reasons, the right hon. Leader of the Opposition is right in saying that the Rhodesian question concerns the Wilson government in Great Britain. He is right.

Mr. Speaker, it appears to me that there are other problems to be discussed among commonwealth country members, economic problems for instance, not economic sanctions or restrictions. If an appeal were made to logic and common sense, in Rhodesia and elsewhere, could we not reach an agreement?

I know how strongly the right hon. Prime Minister feels about world peace and good feelings throughout the world. I am aware of the fact that he was with the Department of External Affairs for many years and that he is thoroughly competent in this field. I know that the right hon. Prime Minister will enjoy, at this conference, great prestige, but is it not a fact that, on that occasion, Canada's influence, the Prime Minister's influence, is due to our being neighbours of the United States and that country is known as the most powerful in the world? That is reflected upon us Canadians, members of the government or of the Canadian parliament.

Mr. Speaker, the right hon. Prime Minister enjoys this influence, to be sure, but let us use it to promote amity, cordiality, understanding, co-operation between nations. I am sure that the Prime Minister will measure up to expectations at this conference of prime ministers of Commonwealth countries, and my best wishes go with him. I am of the opinion that Canada stands to gain therefrom and I hope that the Prime Minister sees to it that the word "peace" is not merely an expression to be used right and left, without ever knowing where it should be applied. May it be used everywhere, in Rhodesia as elsewhere, and let there be an end to restrictions pressed upon people who probably deserve them no more than others who are at present not affected by them.

Let there be mutual understanding and cordiality, and above all let Canada make the most of its influence on Commonwealth countries as well as on the nations of the world.

• (12:10 p.m.)

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I am sure that with all of the concern and advice expressed to the right hon. Prime Minister he will not have very much difficulty at the conference of prime ministers next week. I suppose there may be some disagreement on the part of the prime ministers of Australia and New Zealand, so far as the advice given about Viet Nam by the hon. member for Burnaby-Coquitlam (Mr. Douglas) is concerned, in view of their stake in the southeast Asia situation. I can imagine as well that it will be difficult to get agreement among the leaders of the governments of the African Commonwealth countries.

It is with sorrow and a heavy heart that we look back at the last eight months and realize that a number of the men who would normally have been representatives of countries such as Nigeria are no longer alive as a result of two military coups that have taken place. Likewise there has been an upheaval in Ghana. The whole situation as to alignment or non-alignment with the great powers of the world is certainly not as fixed as it was a year ago.

I am sure the Prime Minister will be a little confused as a result of some of the remarks of the Leader of the Official Opposition who talked about three Commonwealth prime ministers' conferences held this year. If my memory serves me right, this is merely the second conference. The July conference that was to follow the January conference held in Lagos was postponed because of disagreement and lack of clarity so far as the problems in Rhodesia were concerned, so really this is the second conference of the Commonwealth prime ministers to be held this year rather than the third. Whether it is the third or second conference, Mr. Speaker, the grim realities of the world situation faced by the commonwealth prime ministers are something that do not give reason for very much cheer or optimism so far as the future of the world is concerned.

I only wish to say to the Prime Minister at this time that the most important thing in the Commonwealth and in the world is reasonable judgment and understanding by literate men of good will. There is no magic formula that will solve the problems of Rhodesia and Viet Nam. There is no easy way out of these problems. What we need in the world is balance, and that can only come from men of good judgment and understanding who fully appreciate the problems and what is at stake.

When we consider the situation in Africa and realize how interdependent these countries are so far as their economies are concerned, when we look at the history of the world during the last few years, and listen to the cries of uhuru and peace, when we consider the responsibilities of governments and administrations that must make decisions, it is easy to understand why this conference will not be an easy one. It will be difficult for the Prime Minister in his particular position as leader of a country which is respected, and for which there is great affection to give leadership during the deliberations that will take place and at the same time give consideration to every country's problems.

The fact that Zambia is as dependent as she is upon Rhodesia and Rhodesia upon Zambia and the fact that colour of skin and racial problems are not solved just by the declaration of high sounding principles point to the soberness and importance of this conference. These facts also point to the need for getting together and talking things over on a reasonable basis. If that requires another conference this year at which this kind of discussion can take place, then let us have another one, because as long as people are talking and trying to understand each other there is hope that some kind of satisfactory arrangement can be made.

In concluding my remarks, Mr. Speaker, let me say in regard to the problems of Rhodesia that reason must be applied. The changing of so-called illegal governments by the normal process of democratic elections in countries such as Rhodesia is something that just cannot happen. There must be a period of time during which Rhodesia can be properly prepared for the processes of a true democracy, and this is something that will only result from the efforts of literate men and women who have some background in the administration of public affairs. If that can be done I am sure that Rhodesia as well as other African countries can live in harmony. In this way I am sure that some answer can be found to the problems which relate to black and white, underdeveloped, senior and junior Commonwealth countries and, indeed, perhaps even to the Viet Nam situation.

• (12:20 p.m.)

Therefore, Mr. Speaker, personally and on behalf of our party I wish the Prime Minister and his staff well in the deliberations they face. I say again that we understand the importance of this meeting and the tremendous weight of the problems to be faced. We trust that, as has been characteristic of Commonwealth prime ministers and Commonwealth countries, men coming together to talk over their problems will be able to come to some reasonable solution and that step by step men and nations will be led forward in order that we may obtain the proper and full development of our resources both material and human.

LABOUR RELATIONS

ANNOUNCEMENT OF APPOINTMENT OF MEDIATOR IN RAILWAY DISPUTE

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am pleased to be able to announce that, under the authority of section 9 of the Maintenance of Railway Operation Act, I, as Minister of Labour, have appointed Mr. Carl Goldenberg, Q.C., as the mediator to take charge of the mediation proceedings in the pending dispute between the rail unions and management.

Some hon. Members: Hear, hear.

Mr. Nicholson: Mr. Goldenberg has already started his work. He has copies of the five conciliation board reports and he is now studying them. He will be in Ottawa at the beginning of next week, after he has studied the reports, to discuss the matters on which I gave certain assurances yesterday and also to discuss whether at this stage associate mediators may or may not be necessary.

I think the people of Canada are very fortunate to have obtained the services of a man with Mr. Goldenberg's background and reputation in the field of conciliation and mediation in labour disputes. In the minds of labour and management he is one of our most highly respected mediators and conciliation board chairmen. I should like to express publicly the thanks, I am sure, of every member of this house to Mr. Goldenberg for taking on this very important task at this time.

Some hon. Members: Hear, hear.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING CONSIDERATION OF TRANSPORTATION BILL

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I wonder whether I might be permitted at this stage of the proceedings to say a word about the procedure that would be followed after the orders of the day, in response to the very constructive attitude taken last evening by the hon. member for Qu'Appelle (Mr. Hamilton). I should like to draw attention to the words he used:

> The proposal I want to make, which apparently we will be able to consider overnight, follows other precedents in the house. I want to move at the end of my remarks, which I presume will be tomorrow morning, that the subject matter of Bill No. C-231 be referred to the standing committee on transportation, provided however that despite this motion the said bill shall remain on the order paper as an order for second reading without prejudice to the right to make or proceed with the motion for second reading.
>
> What I am suggesting, Mr. Speaker, for the consideration of the party leaders or house leaders of the various parties is that before we can intelligently vote on the many principles which are inherent in this omnibus legislation we might be able to speed up things quite a bit if we were to move straight into committee stage, before continuing our full debate on the principle. I intend to make in the committee stage, if I am allowed, some proposals which I think can speed up the lengthy debate that I foresee on two sections of the bill.

I can assure the hon. gentleman and the house that the government agrees completely with the desire to proceed urgently with this measure, particularly because of the relationship it has to the negotiations to which the Minister of Labour has just referred. I am not able to accept the actual suggestion made by the hon. member for Qu'Appelle because we have had one or two experiences of that kind of procedure. In the first place, it requires unanimous consent because it is quite contrary to our rules. In the second place, I am still scarred from an experience three years ago—

Mr. Diefenbaker: Scared.

Mr. Pickersgill: —when I agreed to do this in relation to another bill. I would point out that in this bill clause 1 is not the short title but is a substantive clause. It is a clause that contains the main principles on which the transportation policy is based. This would therefore enable a pretty ample debate after second reading and committee stage when we came back to committee of the whole. I believe that at the committee stage we could iron out many of the difficulties the hon. gentleman suggested and no one would be denied any opportunity for the fullest kind of debate on those issues upon which there was not already agreement.

The principle of the bill certainly does not involve the acceptance of any of the procedures, about which I can understand there are going to be some very sharp differences, and certainly I would never interpret a vote in favour of second reading of this bill as acceptance of all the procedures involved, because they could only be worked out in committee.

I was wondering, therefore, whether the hon. member's position would be met if we could proceed relatively urgently with the bill and have a relatively short debate and get second reading with the understanding that second reading was only approval of the two general principles, one that there should be a Canadian Transport Commission and, two, that there should be railway rationalization, if I may broadly put it that way. The other matters could be ironed out in committee. I have had a word or two with the hon. member for Qu'Appelle and perhaps, Mr. Speaker, you would permit him to make a reply now.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, the proposal I made was based on the assumption that in this bill there are several principles which are very complicated and very frightening to us in the opposition. In making the proposal I thought we could obtain more clarification with regard to what the government intends to do, not just on the question of railway line abandonment but on the question of freight rates which has been a 30-year struggle in this country. It was on this question that I based my major concern to get some clarification from the government.

Since the government in its wisdom has decided not to accept the proposal, I would suggest that when the leaders of the parties have spoken today perhaps we could adjourn the debate until the next sitting of the house so that we could have two or three days to study the very complex bill that we have before us. I would hope, too, that the minister would use his time over the weekend to consider another proposal, namely, if we are to give effective opposition to this bill in a constructive way at the committee stage then, just as the minister admitted last night that the government has to go outside the country occasionally to obtain expert advice, I think the minister should consider giving all parties

in opposition some sort of help and independent people we can draw upon to advise us on these very complicated matters. This proposal would involve the expenditure of money, which we in the opposition have no right to ask for, but if the minister would consider that as well as the other proposal I made I am sure it would be very helpful to us. I hope the minister will give my suggestions fair consideration.

Mr. Pickersgill: If it is agreeable to other members of the house the government would be quite happy, after one representative of each party has spoken this afternoon, to adjourn the debate to our sitting on Tuesday to meet the suggestion of the hon. member. Since we do not sit until 2.30 on Tuesday afternoon, I would be glad to get certain of the officials together at a totally informal meeting where they could answer questions if any hon. members felt that answers to some factual questions would assist them in debating the measure more effectively and expeditiously. If this would be agreeable to the house I would ask our chief whip, after representatives of each of the parties have spoken today, to move the adjournment of the debate.

• (12:30 p.m.)

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not think the matter is quite as simple as it was represented to be by the minister when he said that the acceptance of second reading would not mean approval of any principle other than, as he said, the appointment of a board and the rationalization of the problem that faces western Canada in particular. I think there is much more than that in this bill. He said that some haste was necessary because this bill was interlocked with the bill which the house passed yesterday. He will recall that one or both presidents of the railway companies—certainly the president of the C.P.R.—stated that this bill gives nothing to the railway companies that they do not possess already.

Mr. Pickersgill: For 1966.

Mr. Diefenbaker: Therefore this legislation will not meet the tremendous demands that will rest on the railway companies as a result of the legislation which parliament passed yesterday. As the minister knows, there are tremendous problems connected with this bill. He has given a great deal of study to it. Nobody knows better about that than a person with his responsibility.

[Mr. Hamilton.]

I understand his difficult problem but the fact has to be faced that in addition to the two points he mentioned there is an immeasurably greater problem which is that unless great changes are made in this legislation the granting of freedom to the railway companies to be virtually untrammelled in the fixation of the amount of freight rates will intensify the discrimination against the maritime provinces and western Canada and will bring about an accentuated distortion of the inequalities of today. I know that no one would suggest that such a matter can possibly be tossed aside by the acceptance of second reading, and I think the minister has come up with a very good suggestion. He accepted what the hon. member for Qu'Appelle has said and after having heard the views of several parties he dealt with this matter at length and in a very capable way except when he discussed the Prime Minister's retractions or retreats. I could not quite understand why he brought that subject up last night. Aside from that he covered the situation in a way which I am sure all members of the house would agree was complete and thorough.

I believe, Mr. Speaker, that after having heard the representatives of the various parties express their views on this matter the adjournment of the house until Tuesday will have a dual effect, one being that we would be able to study the matter and the other that those who wish to return home for the week end will be able to take *Hansard* with them and study it while away from Ottawa.

Mr. Knowles: Mr. Speaker, may I ask one related question? If we are making special arrangements regarding the number of speakers today, should we not hear from the minister and from the house leader what the government has in mind about the hours of sitting? For example, if we decide to take up something that will not require the full day, what will we be considering for the rest of the day? Maybe there is a necessity or desire for a cabinet meeting, in which case we might adjourn for the lunch hour.

Mr. McIlraith: Mr. Speaker, in view of what has been said, and there have been some requests for this, I suggest that we rise at one o'clock for the regular lunch hour from 1 p.m. to 2.30 p.m., then resume the sitting and carry on until the debate is finished at which time we would follow the suggestion of the Minister of Transport and adjourn the house.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I just have one or two points to make. I also wish to receive the assurance of the minister on a point regarding the procedure he has outlined.

I want to say at the outset that with regard to our consideration of this bill I would have preferred the course outlined by the hon. member for Qu'Appelle (Mr. Hamilton). However, I am aware of the need for unanimous consent and of some other problems arising from the suggested motion which have been mentioned by the Minister of Transport.

One thing about which I am concerned is that the minister said the only principles we would be adopting would be whether or not there should be a transport commission and whether a railway rationalization procedure should be established. However, as has been pointed out there is a principle of equal and perhaps greater importance involved in this bill and that is the matter of rate-making. This principle appears throughout the bill. I ask the minister whether he could provide us with some costs to allow us to do some calculations regarding various commodities because the whole bill appears to support a cost-plus rate structure for all non-competitive traffic.

This principle permeates the entire bill. I therefore wish to ask for an assurance from the minister that we will not be prevented, either in the standing committee or when this bill returns to the house, from moving amendments which may turn out to be in violation of the principle that may have been adopted in these formulae. Even if we spend most of next week on it I am afraid members of this house simply cannot possibly understand what is meant by this new principle of rate-making unless some figures are supplied to us. If the Minister of Transport could give us an assurance that we will get some of these costs and also an assurance that he will accept reasonable amendments to what may be a new principle of rate-making even though we adopt the bill in principle on second reading, then we could agree to his suggestion.

Mr. Pickersgill: I am happy to give the assurance, sir, that within the ambit of the bill itself the government, as I thought I said last night and, if not, as I intended to say, does not feel that all wisdom is contained in the bill, and any amendments that seem likely to improve the procedure will certainly not meet with our objection on any technical grounds.

Mr. Olson: Will the minister give us his undertaking that we can get some of the costs on which the formula is based?

Mr. Pickersgill: That will certainly be one of the elements.

Mr. Churchill: Mr. Speaker, this is improper.

Mr. Speaker: Is it agreed the house will suspend its sitting between 1 p.m. and 2.30 p.m.?

Some hon. Members: Agreed.

NORTHERN AFFAIRS

PROVISION FOR COMMITTEE CONSIDERATION OF NATIONAL PARKS, ETC.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, may I ask for the unanimous consent of the house to make a motion pertaining to additional authority being given to the standing committee on northern affairs and national resources?

Mr. Knowles: What is it?

Mr. Churchill: Put it on the order paper.

Mr. Diefenbaker: Let us hear what it is before we agree to it.

Mr. Laing: I am quite certain the house will find it agreeable. The motion is as follows:

That the standing committee on northern affairs and national resources, in addition to the powers granted to it on July 13, 1966 be empowered to obtain further information relating to matters and projects dealing with national parks and historic parks and sites;

That, for this purpose, the said committee be authorized to sit while the house is sitting or during adjournment of the house and to adjourn from place to place within Canada; and

That the clerk of the said committee and the necessary supporting staff accompany the said committee.

Mr. Speaker: Is there consent to this motion?

Mr. Starr: No, Mr. Speaker.

Mr. Speaker: There is no consent to the motion.

Proposed Legislation

• (12:40 p.m.)

MANITOBA-SASKATCHEWAN BOUNDARY ACT

DECLARATION OF BOUNDARY LINE SURVEYED AND MARKED

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys) moved the first reading of Bill No. S-45 (from the Senate), respecting the boundary between the provinces of Manitoba and Saskatchewan.

Motion agreed to and bill read the first time.

SASKATCHEWAN-NORTHWEST TERRITORIES BOUNDARY ACT

DECLARATION OF BOUNDARY LINE SURVEYED AND MARKED

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys) moved the first reading of Bill No. S-46 (from the Senate), respecting the boundary between the province of Saskatchewan and the Northwest Territories.

Motion agreed to and bill read the first time.

MANITOBA-NORTHWEST TERRITORIES BOUNDARY ACT

DECLARATION OF BOUNDARY LINE SURVEYED AND MARKED

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys) moved the first reading of Bill No. S-47 (from the Senate), respecting the boundary between the province of Manitoba and the Northwest Territories.

Motion agreed to and bill read the first time.

CANADA LAND SURVEYS ACT

AMENDMENTS RESPECTING EXAMINATIONS, ETC.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys) moved the first reading of Bill. No. S-48 (from the Senate), to amend the Canada Land Surveys Act.

Motion agreed to and bill read the first time.

ADMINISTRATION OF JUSTICE

STEVEN TRUSCOTT—REQUEST FOR AID IN DEFENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Solicitor General a question which arises because of the continuing interest, as evidenced by correspondence received, in the Truscott case. When will this case come before the Supreme Court of Canada and, second, is provision to be made for Truscott to have available to him the evidence or at least the advice and counsel of an alienist or alienists at the expense of the people of Canada? I think it would be helpful and very beneficial if this could be provided.

[Mr. Speaker.]

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the matter is now in the hands of the courts and I am sure no one knows better than the right hon. gentleman that it would be improper if there were any interference on the part of the Solicitor General at this stage. I am advised, and this is subject to confirmation but I believe it to be true, that counsel for Mr. Truscott has been in communication with the court on the matter, through motions, and they are working out a procedure to bring on the action at the appropriate moment before the Supreme Court of Canada.

The government has fulfilled its commitment to the house to arrange for the financial reimbursement of expenses incurred by counsel in the course of the defence. I believe the matter is well in hand. Mr. Truscott has eminent counsel representing him and it is my understanding subject to confirmation, as I say, that it is proceeding as agreed by counsel and the court.

Mr. Diefenbaker: When is it expected to proceed?

Mr. Pennell: I understand it will be heard reasonably early in the new court term commencing this fall. This is a matter, of course, for the Supreme Court. Apart from that, I have nothing further to add except to say I am confident the matter will be dealt with in a manner in keeping with the spirit of justice.

Mr. Diefenbaker: So there will be no misunderstanding, I was not suggesting any action before the Supreme Court. The matter is before the court. I was asking whether or not, as part of the financial responsibility of the department, provision is being made not only for the payment of counsel but also for necessary expenses for the provision of alienists and the like, if considered proper by counsel for the condemned man?

Mr. Pennell: I appreciate the right hon. gentleman's natural interest and concern in the matter. It is my understanding Mr. Truscott now has two counsel, senior and

junior, assisting him. There was a meeting between officials of the Solicitor General's department, the Department of Justice and counsel to arrange the financial terms. I believe they are satisfactory to Mr. Truscott's counsel.

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Finance if it is his intention to table the Donald report on coal mining in Nova Scotia?

Hon. Mitchell Sharp (Minister of Finance): Yes, Mr. Speaker, it is the intention to table this report. The government, however, has not yet completed its study. The report has been under study now for some time and when that study is complete the report will be tabled, probably accompanied by some statement from the government.

Mr. Douglas: May I ask a supplementary question? Is it the government's intention to pay the $25 million for the stabilization of the coal industry in Nova Scotia before tabling the report or is this to be left until after the report has been studied?

Mr. Sharp: This is not my particular responsibility, Mr. Speaker; it is the responsibility of the Minister of Mines and Technical Surveys. I should like to say in general that it is my understanding the government intends to fulfil its commitment.

Mr. Douglas: May I ask the Minister of Mines and Technical Surveys when some announcement will be made with respect to the $25 million for the stabilization of the coal industry in Nova Scotia?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, the last part of the sentence uttered by the Minister of Finance was really an answer. This will be part of the policy which will be announced. I might add to what he said by giving the reason the report cannot be made public before about mid-September. The necessary number of copies are not yet available, and when they are available the report will be made public.

[*Translation*]

AGRICULTURE

QUEBEC—INQUIRY AS TO CREAM SUBSIDY PAYMENTS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Minister of Agriculture concerning the payments made directly by cheque to farmers with regard to the new milk price support program.

Could the minister tell us why the cream shippers are paid only every three months, since, regardless of the nature of goods received, whether it be milk or cream, processing plants have to report within the same period of time?

[*English*]

Hon. J. J. Greene (Minister of Agriculture): I regret to say, Mr. Speaker, that we cannot indicate the period for which the cheques are issued. We have gone into this matter carefully and the data processing equipment and cheque issuing equipment just does not make this possible. We have tried every way to see to it that the cheque itself would indicate the period for which it was given, but we have found this is not possible. We are now investigating the possibility of at least issuing an annual statement to each farmer at the end of the year to indicate to him what period each cheque represented so that at least at the end of the year he would have some accounting of the cheques he had received.

With respect to the cream shippers being paid every three months, the difficulty is that up until this year cream shippers had never been registered with the stabilization board because they had received no direct payments from the government. Accordingly, it is taking some time to assemble the data from the various plants, and during this period the stabilization board feels it can only pay every three months. There is considerable difficulty in getting all the data from the various plants. I believe there are something like 265,000 farmers who are receiving payments. When the information is sufficiently complete and when our statistics are sufficiently complete, we hope that the three-month period for the payments to cream shippers will be improved upon and we will be able to pay more often than every three months.

Inquiries of the Ministry

BRITISH COLUMBIA—ARDA PROJECTS IN KOOTENAY DISTRICT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask a question of the Minister of Forestry. I apologize for not giving him notice but the matter has just been brought to my attention. Are any surveys being undertaken by officials of the minister's department or the Department of Agriculture in the famous Kootenays with a view to the development of an ARDA program at the present time?

Hon. Maurice Sauvé (Minister of Forestry): This must be the Canada land inventory, Mr. Speaker.

CONSIDERATION OF PROBLEMS OF INCREASED PRODUCTION COSTS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister. Has the government under study the special problems posed in regard to farm income levels resulting from increasing costs of production, and when is it expected that legislation will be available to meet these problems?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is an important question of far reaching policy which will be announced in due course.

HOUSING

REQUEST FOR POLICY ANNOUNCEMENT TO MEET REPORTED SHORTAGE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is addressed to the Minister of Labour in his capacity of reporting to the house for Central Mortgage and Housing Corporation. In view of the fact it was reported yesterday that a controller in the city of Toronto said that city is facing a housing shortage more serious than that of the second world war, I would ask the minister whether the government is currently seriously considering changes in housing policy?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the question of housing in Toronto and in other parts of Canada is under continuous study by Central Mortgage and Housing Corporation, the Ontario Housing Corporation and other interested bodies. If there is to be any change in government policy it will be announced in due course, but I might say that none is expected in the near future.

Mr. Grafftey: A supplementary question to the minister. In view of the fact it has been reported that housing starts are down 26 per cent from the comparable period last year, can we expect this announcement in the very near future?

Mr. Nicholson: Mr. Speaker, I said that I did not expect to make any announcement in the near future in connection with this matter.

Mr. Grafftey: Mr. Speaker, in view of the fact that wartime babies are now young married couples who are looking for homes, can the Canadian people not expect the announcement very soon?

Mr. Speaker: Order. The third question is argumentative.

POWER

LOCATION OF ATLANTIC TIDAL POWER PROGRAMMING BOARD

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys in connection with the recent announcement that the head office of the Atlantic Tidal Power Programming Board will be located in Halifax. May I ask the minister whether consideration was given to any other location in another area?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Yes, Mr. Speaker. Many eloquent representations were received but the decision was taken to go to Halifax. It was taken on technical grounds. My department already has an establishment there; computer services are available and transportation is a little easier.

Mr. Bell (Saint John-Albert): A supplementary question. Would it not have been better to have a location such as Saint John, which is closer to the area and would be more interested in this development than Halifax?

Mr. Speaker: Order. I suggest that question too is argumentative.

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—REPORTED SELECTION OF YELLOWKNIFE AS CAPITAL

On the orders of the day:

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. In view of the recent radio and newspaper reports that the Carrothers commission has recommended that Yellowknife be selected as the capital of the Northwest Territories, would the minister confirm or deny these reports? If they are true, is the minister now prepared to make known the other recommendations of the commission?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, Dean Carrothers presented me with a copy of the report the other day in addition to nine other copies. I and my department are in possession of all copies of the report. We have made no statement on the contents of the report, nor have I been asked to by anyone. It is not within my capacity to have any control over speculative stories, but this story is pure speculation.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I would like to address a question to the Minister of Northern Affairs and National Resources arising out of a question asked earlier by the hon. member for Northwest Territories.

I should like to ask the minister when he intends to bring an end to speculative reports about when the Carrothers report will be tabled in the house.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I have told the house already it was my desire to table the report at once but that I was anxious also that I should be able to table the French version at the same time. We now are in the process of seeing whether or not we can obtain a condensed summary in French, in which case I think we will be presenting it to the house at an early date rather than wait for the full translation which may take six weeks.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the Prime Minister.

Inquiries of the Ministry

In view of the fact that the former premier of Quebec, Mr. Lesage, made a statement concerning the Labrador border and I quote from today's *Le Devoir*:

> Only one last solution remains, military occupation.

Is it the intention of the government to set up an inquiry into the matter of the Labrador border or to prepare a bill such as we find on the order paper today, to determine the Labrador border as to what part belongs to Newfoundland and what part belongs to Quebec?

[*English*]

GRAIN

WHEAT—REQUEST FOR HIGHER INITIAL PAYMENT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, a few days ago I asked the Minister of Finance whether or not the government was actively considering increasing the initial payment on wheat and he replied that it was. Inasmuch as the Canadian Wheat Board has just begun or is about to begin the authorization of initial payments on wheat that has been delivered in the new crop year, can the minister tell the house whether or not there will be a change before the payments are commenced so as to avoid having to make retroactive payments?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, this matter, which as the hon. gentleman said I mentioned in the house the other day, is under study as a result of representations received from various parties. These representations are not all on the same side and I do not expect that there will be an early decision.

TRANSPORT

ST. LAWRENCE SEAWAY—INQUIRY AS TO INCREASED TOLLS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I could direct a question to the Minister of Transport. Has he any information to give to the house about the proposed increase in tolls on the St. Lawrence seaway?

Hon. J. W. Pickersgill (Minister of Transport): Not at the present time, sir.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

SUGGESTED CHANGE IN METHOD OF JUDICIAL APPOINTMENTS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Justice. Has the minister received from the Canadian Bar Association a report of the discussions and the resolutions passed at their recent convention concerning the appointment of judges and, if so, are they being studied by his department?

Hon. Lucien Cardin (Minister of Justice): To my knowledge, Mr. Speaker, there has been no communication from the Canadian Bar Association, though I have been following their activities through newspaper reports. I can assure the hon. member that consideration will be given to this aspect of their deliberations.

FINANCE

VANCOUVER, B.C.—FINANCIAL ASSISTANCE FOR HIGHWAY CONSTRUCTION

On the orders of the day:

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I should like to address a question to the Minister of Finance. Has the province of British Columbia applied for financial assistance in the construction of a highway to cross the national harbour in Vancouver?

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker.

Mr. Davis: A supplementary question. Can the same general principles which applied in the construction of the new bridge over the harbour at Saint John, New Brunswick, be applied in this case in Vancouver?

Mr. Speaker: Order. That question is out of order.

AIRPORTS

VANCOUVER, B.C.—REQUEST FOR ACTION ON BRIDGE APPROACHES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Transport. Has the minister received representations from the associated chambers of commerce of the lower mainland of British Columbia urging action on the proposed bridge approaches to the Vancouver international airport? If so, what action is he taking?

[Mr. Pickersgill.]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have received many representations about this very important matter, and I am giving it the most urgent consideration I can.

NATIONAL DEFENCE

R.C.A.F.—MAINTENANCE OF AIRCRAFT USED TO TRANSPORT PERSONNEL

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, has the Minister of National Defence an answer to the question I asked him the other day in regard to aircraft carrying military cadets to Vernon, B.C.?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, in reply to this question, no service aircraft has been identified as having been involved in any flight involving the transport of military cadets during which an emergency arose. My departmental officials advise me that the aircraft used to transport these cadets was operated by TransAir of Winnipeg under contract to the department. I presume that is the incident to which the hon. member was referring. TransAir has advised that the incident referred to is presumed to be that of a DC-6 on July 18, which 13 minutes after take-off from Winnipeg en route to Penhold returned to Winnipeg owing to excessive loss of oil in one engine.

In reply to the second part of the hon. member's question, there has been no evidence of deterioration in the quality of servicing and maintenance of aircraft in the R.C.A.F. On the contrary, a steady decrease has been noted during the past three years in the percentage of aircraft incidents attributed to errors on the part of maintenance personnel. I hope I said "decrease" the first time because that is what is in my script and that is what is in accordance with the facts.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys—

[*English*]

Mr. Churchill: Mr. Speaker, I rise on a point of order. I have some questions to ask of the Prime Minister, the Secretary of State for External Affairs and Mr. Lee, none of whom is present. I think we should wait until 2.30.

An hon. Member: They were here until one o'clock.

Mr. Speaker: I am in the hands of the house. If the house wishes to continue the question period at 2.30, that will be done. It being one o'clock—

Mr. Pickersgill: I wonder, in view of the arrangements that were made about the debate, if it would not be possible to sit for a few minutes more to finish the question period?

Mr. Diefenbaker: We want to ask some questions.

Mr. Barnett: I have a question for the Minister of National Health and Welfare, but he is not here.

[*Translation*]

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

I had a question to ask before the hon. member and you had recognized me.

[*English*]

Mr. Speaker: Order, please. Pursuant to the order made earlier this day the sitting of this house is suspended until 2.30 this afternoon.

SITTING SUSPENDED

At 1.05 p.m. the sitting of the house was suspended.

SITTING RESUMED

The house resumed at 2.30 p.m.

[*Translation*]

POWER

QUEBEC—CONSTRUCTION OF NUCLEAR STATION IN NICOLET COUNTY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys which will undoubtedly be of interest to the parliamentary correspondent of the newspaper *Le Soleil.*

Could the minister tell us if he has quite recently had talks with the premier of Quebec about the construction of a thermonuclear plant which is to be set up in Bécancour, in the riding of Nicolet, and can he tell the house if the project will be carried out in the near future?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, both governments have now formally agreed to that project and press releases to that effect are issued today in Ottawa and Quebec city.

Inquiries of the Ministry

Mr. Choquette: A supplementary question, Mr. Speaker.

Can the minister tell the house if an agreement is expected between Quebec Hydro and the Atomic Energy of Canada and when it is to be signed?

Mr. Pepin: As a matter of fact, Mr. Speaker, that agreement will now be put on paper, but what mattered most was to get the two governments to agree.

[*English*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, because of the fact that the by-election in the constituency of Nicolet-Yamaska and the announcement made today are purely coincidental, may I ask the minister when the decision was made to build this atomic energy plant in that constituency?

Mr. Pepin: Mr. Speaker, I think there were three phases or three steps, if you want to put it that way. The first one was in May, 1965, if my memory is good. At that date there was an agreement in principle between the then premier of the province of Quebec and the Minister of Industry who announced it in the house.

Mr. Diefenbaker: When was that arrangement made?

Mr. Pepin: In May, 1965.

Mr. Diefenbaker: What year?

Mr. Pepin: 1965.

Mr. Diefenbaker: Oh, and you waited until there was the coincidence of a by-election.

Some hon. Members: Oh, oh.

Mr. Choquette: We don't need that; we are sure to win.

Mr. Winkler: You know better than that.

Mr. Pepin: Then, the second step, in May of this year agreement was reached on the location, and now the third step, this is a report on the agreement between the two governments. The fourth step will be an arrangement or agreement between Hydro-Quebec and Atomic Energy of Canada Limited. I would dare say that the Leader of the Opposition should not be giving a partisan meaning to my announcement of to-day, because I am quite sure that the new premier of the province of Quebec will not be looking at it in the same light.

Inquiries of the Ministry

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the agreement was made in 1965 and the announcement is made now. That is its own answer. I would ask the hon. gentleman—

Mr. Pepin: On a question of privilege, Mr. Speaker—

Mr. Diefenbaker: I am asking him for the answer—

Mr. Speaker: Order, please. The minister is rising on a question of privilege.

Mr. Pepin: I do not think the implication should be let go in that way. What was arrived at in May, 1965, was an agreement in principle—

Mr. Diefenbaker: Oh yes?

Mr. Pepin: —and it was understood from the beginning that this agreement in principle would be followed by the necessary research—

Mr. Diefenbaker: I see.

Mr. Pepin: —in order to find out if new improvements could be made—

Mr. Diefenbaker: Political?

Mr. Pepin: —on techniques.

Mr. Speaker: Order, please. This is not really a question of privilege. It is a matter of debate.

Mr. Diefenbaker: Mr. Speaker, I am sorry to bring up anything that is controversial. I would ask the minister this: What is the present position with regard to the Brinco agreement, and if the Brinco agreement is not signed what arrangements are envisaged regarding the electricity that will be produced?

Mr. Pepin: Mr. Speaker, it is well known by constitutionalists—the right hon. gentleman knows this very well—that, notwithstanding the fact that the federal government has jurisdiction to intervene in matters of this kind, by convention the National Energy Board has never tried to intervene in matters of this kind between two provinces. This is the practice in the Canadian constitutional system. We have not been party to the negotiations and we are not at the moment party to the negotiations.

Mr. Diefenbaker: So far as the National Energy Board is concerned did the government not reverse its decision the other day with regard to the shipment of gas by Trans-Canada?

Mr. Pepin: The decision to reverse the decision of the energy board was not based on constitutional matters.

Mr. Speaker: The hon. member for Rosthern.

[*Translation*]

Mr. Choquette: Mr. Speaker, a further question to the minister—

[*English*]

Mr. Speaker: Order, please. May I suggest that we go on to another question now. The hon. member for Rosthern.

[*Later:*]

[*Translation*]

Mr. Choquette: One last question to the Minister of Mines and Technical Surveys, who has been very kind to me. I was going to add whose smile is almost as graceful as that of the Minister of Finance.

I would like to ask the minister if he can give assurance to the house that the agreement which is to come about between Quebec Hydro on one part and Atomic Energy of Canada on the other part with respect to the erection of thermonuclear plants is in any way related to the fate of the proposed steel complex for Bécancour?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, from the beginning, I believe these were two separate projects and they should not be confused.

[*English*]

CANADA ASSISTANCE PLAN

SASKATCHEWAN—INQUIRY AS TO MAINTENANCE OF STANDARDS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare with regard to the Canada Assistance Plan and its application in the various provinces. Could the minister tell us whether he has had any complaints from the province of Saskatchewan with regard to the lowering of the standards of assistance under the new plan compared with what was said before the plan was passed?

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker, I do not recall receiving any complaints and I do not think there is a basis for any complaint on the grounds suggested.

Mr. Nasserden: As a supplementary question, is it possible for a province to bring in regulations that would have the effect of making it more difficult for people to secure assistance than it was before the Canada Assistance Plan was passed?

Mr. Speaker: Order, please. The hon. member is now asking for what is tantamount to a legal opinion, and I do not think the question is proper.

ADMINISTRATION OF JUSTICE

SPENCE ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport who appears to be Acting Prime Minister, in I hope a very temporary capacity. I should like to ask the minister when the report of Commissioner Spence will be tabled in the house. I understand that the report unofficially has been in the possession of the government for some time.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, to the best of my knowledge the allegations of the hon. gentleman are untrue. The report has not been delivered to the government and therefore it would not be possible at this stage for the government to table it in the house.

Mr. Churchill: May I ask a supplementary question, Mr. Speaker. I do not like to get involved in semantics, but when the minister says that the report has not been officially delivered to the government, would he tell us whether any copy has unofficially reached the hands of the government?

Mr. Pickersgill: I do not believe any such thing has happened. Certainly nothing of that kind has happened to my knowledge.

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

The house resumed, from Thursday, September 1, consideration of the motion of Mr. Pickersgill for the second reading of Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, last night in my remarks on second reading of this bill, because of the possibility that we would be called to the other place I had time to make only one or two general observations in an effort to highlight what I think is the significance of the big change in the situation now from what it was at the time of the MacPherson report. Today I should like to develop my thoughts in a more sedate and orderly manner than was possible last night. In 1964 when the resolution in respect of Bill C-120 was on the order paper I had a discussion with various members of the government at which time it was intimated that the bill which was being introduced at that time was the bill of the previous government with some improvement. I spoke on behalf of the opposition and indicated general support of those principles. At that time I warned that when the bill was presented to us we would be very wary of it, but outside of that I think it can be said that generally I gave approval to the idea that now is the time to take a big new look at the whole question of railway legislation in this country.

In my speech on that occasion I outlined the history of railway development in Canada. I pointed out how in the course of time the application of flat freight rate increases across the country had affected the prairie areas and the maritimes. It was this unjust discrimination in rates that caused so much dissension in our country for so long, and as a government we were determined to halt it. We set up the royal commission on transportation in 1959. The fundamental job of this commission was to examine the whole railway structure in Canada in the light of the present development of our country in an effort to lay down ground rules so that the railways could operate efficiently in Canada and at the same time end this discrimination in respect of rates in various regions.

Those were the fundamental purposes of the royal commission on transportation headed eventually by Mr. MacPherson. In 1964 we were beginning to feel that the recommendations of the MacPherson report had to be modified because of the fact that they left up in the air any practical way of achieving the

objectives of that report. In 1964 our attention was concentrated on the question of rationalization of railway management and operation primarily in the prairies where the greatest problems lay.

When the bill was produced in 1964 it was immediately very clear that the ideas we on this side of the house had were not being implemented. We had felt that if there was some way of getting the two major railways in western Canada to rationalize their efforts, then not only would there be more efficient railway transportation in the prairies but also the necessity of always claiming there were losses on the Crowsnest pass rates would end.

One of the greatest myths ever promulgated in this country is that the railway shippers in Canada are asked to subsidize the movement of western grain into world markets. This myth was finally destroyed last night when the minister accepted the proposition of no losses and said that is why they took the subsidies out of the bill. So at this moment I am speaking to those in central Canada who have lived comfortably all these years with the myth that they were subsidizing the movement of western grain into world markets. This has now been exposed as a myth. This is one of the points I wished to make.

In so far as the rationalization provisions of the 1964 bill are concerned, they failed because of a very simple fact. A rationalization board was set up and at the time the rationalization board was given no power to deal with anything. Therefore we had to point out that this was a complete farce from the point of view of trying to fool the people into believing that there was going to be a rational operation of our railways in western Canada.

Recommendations for the improvement of railway operations in western Canada have been made for over 30 years. Very few of these recommendations have been accepted. Many of us have come to the conclusion that until there is leadership provided by the government or parliament in directing the railways of this country, particularly in western Canada, to run on a rational basis they will not be run on that basis but will continue the inefficient practices that have been developed.

• (2:50 p.m.)

No one wants to go back and rehash the history of the railway companies in western Canada. Suffice it to say that the Canadian Pacific Railway, which first entered that area, over the years has developed what could be described as a reasonably efficient and integrated system. As a result of the enthusiasm on the part of the railway companies at the turn of the century and the ability of the prairie provinces to produce agricultural products they built railway lines all over the country. That is what precipitated the railway building spree. Lines moved in all directions. If one company built a line it was duplicated by another company, and we have had to pay for this situation for two generations.

This is the time to end this hodgepodge railway operation in western Canada. At this time when we are considering this legislation I am sure most of us agree that we desire forward progress and an end to this hodgepodge operation. The bill presented to the house in 1964 gave no power to the rationalization board to deal with this situation. Instead of rationalization all the board did was to turn over an application for abandonment to the Board of Transport Commissioners. Then traditionally, as always has been the case, the board accepted the railway figures.

Railway operational costing is so complicated that as yet there is no accurate system acceptable to experts. We had a bill before us in 1964 which turned over the whole question of whether a line would be abandoned, and whether the government or the taxpayers would pay a subsidy to keep the line in operation, to the board of transport commissioners. This was bad legislation because it only dealt with the question whether a line from point A to point B was paying or not paying and whether it should be abandoned or subsidized by the taxpayers. That did not provide an answer.

We intended that this rationalization board should have the power to look at each area of the prairie provinces where there was a duplication of railway services, railways running parallel for miles because they did not wish to use each other's lines, and decide whether there was an anomaly. We thought this board had the power to direct the railway companies to run these lines efficiently and within limits of ordinary common sense. We were convinced that once this took place there would be no railway line in western Canada that was not running at a profit.

In my speech in 1964 I made the proposal, even before I saw the bill, that we should divide western Canada into areas. The bill before us has accepted that principle. Since the bill of 1964 was presented our knowledge

has increased and the principles envisaged at that time are no longer the right ones. The concept of the bill now before us incorporates a better idea so far as lines in western Canada are concerned.

We are now aware that most of the railway lines in western Canada are not only economical but produce a profit because of the tremendous increase in transported goods in the last two years. That does not necessarily mean that the railways are now making money. Let us not allow these anomalies to continue because of the operation of unnecessary lines. We could reduce costs even more than they have been reduced in recent years and effect greater profits.

Last night I said I hoped the railways would use the potential increase in profits to purchase new equipment and to make railway employees' wages equivalent to those being paid in similar types of industry. For generations we have asked railway employees in this country to refrain from seeking to have their wages grow in pace with the country's wealth and in pace with other sections of the economy. During the last few years we thought the railway industry was dying.

The third general suggestion I made last night was that we expect the railways to make this major change in thinking as a result of which not only will higher profits result but better wages, better equipment and lower freight rates. When the railways eventually adopt the concept of expansion it will follow in a rational way that rates can be reduced, resulting in more business.

Having reviewed railway history in a minor way let me now indicate that during past debates and discussions of this situation I have tried to be helpful. This is the time we should think in terms of action based on straight thinking. Let me put on record some ideas which I think will help this house to think along these lines.

Bill C-231 is a much improved bill compared with Bill C-120 presented to the house in 1964. The minister deserves congratulations because he has tried to understand this very complex situation and has put into this bill wording which indicates that new concepts are developing. This is indicated by the measure now before us.

Having said that, Mr. Speaker, I must be honest and say I do not think it will help management, labour or shippers unless we propose ideas during this debate or at the committee stage which are practical and helpful. Before I attempt to do so let me remind the minister of what I said briefly last night. One or two principles embodied in this measure terrify me. The first relates to freight rates, and I will deal with that subject in greater detail in a moment or two.

A very real difference is developing in thinking regarding rationalization in order to remove the fear of western Canada about line abandonment. I am sure the minister knows the situation I have in mind. What are the new facts regarding this new concept? Railways are not declining as a mode of transport any longer. The change began in 1961. The one thing more than anything else which reversed that thought was the commencement of grain sales to China and other eastern European countries. Railways are no longer declining as an efficient method of transportation. It took some time after 1961 for us to realize that changes were taking place. Let me list some of the changes that have occurred.

• (3:00 p.m.)

I quoted these figures in a hurry last night and I should like to re-emphasize them. Using round figures, though I am sure the experts will not quarrel with them, as late as 1958 approximately 400 million bushels of grain were moved out of western positions. In the crop year just completed over 800 million bushels of grain were moved. The significance of these figures when applied to railway hauling can only be understood if one recognizes that the greatest part of the cost of running a railway is fixed. It does not make any difference whether no trains run or a great many trains run; there are certain fixed costs.

In my early days of studying railway economics we used to use the rough figure of 60 per cent or 70 per cent as representing the fixed costs of a railway operation. I have no recent figures but I hope to get them. If 70 per cent of the costs are fixed and you suddenly double the tonnage of goods being moved on the railway, the proportion of fixed costs drops away down and your profits rise tremendously. This can be demonstrated most dramatically in charts to show what happens to the cost per unit of freight hauled.

The movement of grain is in itself only a single fact in the new situation, but being such a large bulk product it is a very important part of our economy. Just a few years ago we in some parts of western Canada used to generate 20,000 or 25,000 bushels of grain

per mile. Now in these same areas it is over 80,000 bushels per mile. A revolution has taken place in respect of this one item. Because of these facts we must make sure that in the parliament of our country we legislate on the basis of a growing, expanding industry and do not legislate to share the poverty of a dying industry.

The second point I want to make concerns the huge increase in goods that flow back from the central provinces into the prairies. This development has occurred in the last five or six years. We must recognize the tremendous number of dollars of new earning power that has poured into the prairies since 1961, first of all from the sale of the great quantities of unused and unsold grain and, second from the tremendous crops we grew in 1962, 1963, 1964, 1965 and, I trust, with God's help in this year 1966. These tremendous sales of grain and increased income have meant that a tremendous increase in purchasing power has poured into the central provinces and British Columbia. As a consequence our trains are carrying a tremendous back-haul of goods from the central areas of our country into the prairies. The importance of this situation is that when the railways are hauling goods both ways the amount of profit rises in a general ratio rather than in a direct line proportion. I wish I had the time and statistical staff to put before the house the extent to which this back-haul has grown in the last five years.

Third, Mr. Speaker, on the point that the railways are not a declining mode of transport I would refer also to potash, a new product. Potash is one of the three main fertilizers needed to keep our land productive in order to feed the people of the world. Potash is not needed for Canadian soils at the present time, at least, not in western Canada because our soils are too new and it will probably be a century before we have to use potash in order to restore the fertility of that land. But the great continents of the world, Asia, for example, where civilization has existed for 3,000, 4,000 or 5,000 years, need this product. The old continent of Africa needs it as do the newer areas of civilization in western Europe. South American and other areas with teeming millions are not as productive on the land as they should be and there is an increasing need for potash.

These vast areas of the world need the potash that is buried under the soil of the province of Saskatchewan and to some extent in Alberta and Manitoba. At the present time our production of potash is approximately 2 million tons a year but by 1970, with markets that are already known, the need for potash exports out of the west coast will be at least 4 million tons, and certainly between 1970 and 1975 the export of potash from the prairies to the west coast alone will have reached 7 million tons. This is on the basis of known markets, and the figures I have quoted do not include any figure for China where 700 million people now live. By 1980 the population of China will be 1 billion people. In the south of that country they grow three crops a year. One crop has to be wasted in growing grain fertilizer in the form of clover. In the north of that country they grow two crops a year, one of which is used for fertilizer. Chemical fertilizing alone will increase production in southern China by a third and in northern China by half. Here we have a market in addition to the markets I have already indicated. This will demonstrate to the house the tremendous movement of bulk products in Canada to our coasts.

I am sorry I do not have any estimates for the movement of this product to the south, the eastern markets and the markets of Europe and Africa. I am only positive of one thing, that they will be there, and I am sure that unless we learn new techniques in the next few years, for a good while at least these products will be carried by rail cars. I know of the work being done in connection with pipe lines. However, in potash alone the demand is tremendous. The only way I can explain this sensibly and make it understandable is by comparing it with a product we all know, namely, wheat. Those who have seen the hundreds of railway trains carrying our wheat to market will realize that an equal number of trains will be required to carry potash and they will have an idea of the expansion that will take place in western Canada in this connection.

I have dealt with potash, Mr. Speaker, but I do not want to overlook the fact that products like sulphur, a by-product of our oil and gas wells, are now in great demand all over the world. I believe that just a year ago one million tons of sulphur went through the port of Vancouver. I would suggest that in this item alone there will be a tremendous tonnage in the future. We know that Japan wants our coal and that Japan and other nations want many of our mineral ores in concentrated form. We know there is a great demand in many parts of the world for our l.p.p. fuels, butane, propane, methane and so

on. Although many of these fuels are carried in pipe lines, a great quantity is still carried by rail.

• (3:10 p.m.)

To give hon. members an illustration of the attitude on the part of railway management that we have to fight, I mention the Pine Point Railway. In 1958 the then prime minister of our country announced in Winnipeg a ten-point, over-all development program. One of these points concerned the building of a railroad to the south shore of Great Slave Lake. I well recall the laughs and mockery at that time. Some said it was a vision.

Let me relate to the house the significance of Pine Point not only to the development of new wealth in this country but to railway profits and operations. The Pine Point Railway runs for approximately 400 miles from Steen at the end of the Northern Alberta Railway.

The property at the end of the railway was owned at that time by a subsidiary of Cominco which is in turn a subsidiary of the Canadian Pacific Railway. Naturally we went to the railway and asked if they would not co-operate in building this 400 miles of line to Great Slave lake in order to haul the lead and zinc from the vast volume of reserves to help us develp not only a needed resource but also to establish an economic base and platform on which we could develop the whole Mackenzie river basin. The attitude of the Canadian Pacific Railway is well known. They refused to take part in the building of this railway. As a result the C.N.R. built the line on the guarantee of the federal government and rates were set to make the hauling of the ore from Pine Point compensatory. I believe the C.N.R. got the hauling rights for that ore down to Calgary and the C.P.R. takes it over the mountains to Kimberley and Trail.

The point I am making can best be described by giving some of the rough figures which have appeared in the press regarding the value of that mine in the first year. The mine started to operate when the railway was completed in the fall of 1964. The first full year of operations was 1965 and I think the capital cost was roughly $25 million. The profits in the first year of $22 million were sufficient to pay off most of the capital costs of the mine in that one year. The year 1966 is not over and if I read the press correctly profits on the Pine Point mine this year are running at approximately $36 million.

Here is my point, Mr. Speaker. This mine has risen in value because there was a sale for its products. Everyone was so involved with the glamour of rising stock prices that they forgot the tremendous importance to the railway economy of this movement of tonnage to the places I have named, which has made the whole fabric of railway transportation in western Canada that much stronger. It is quite clear that these mineral ores are not unimportant to the wealth of the country and to the wealth of our railways.

The second major fact I wish to emphasize is the need for more capital equipment on the railways. First of all we need more motive power to meet the expanding needs of the railways. Last year the C.P.R. leased some locomotives but now I think they should realize that what is required, with a rising demand for railway transport, is not a one-shot deal but that this demand will continue not only for transporting grain but many other commodities. We need this motive power to move a tremendous volume of goods faster and more efficiently.

We need to make use of modern technology, new grain cars and new ore cars. We still use cars with side loading for hauling grain. We started to use them in the last century and, by George, we are still using them. The building of artificial false doors, lining the cars with paper, loading the grain into the centre of the car and pushing it back require a tremendous amount of time. When the cars arrive at the terminal the same operations have to be repeated in reverse except for the fact that they have a few gadgets now to lift the grain car at each end.

I am simply suggesting that the modern type of grain car, which is open at the top, carries three times as much grain and can be dumped in a few seconds, as fast as the grain can pour out of the big opening, is one of the things that are necessary to decrease costs and increase the service to the shipper.

Another thing that we need is more new port facilities. This is in itself a whole new field. I have seen lakers on the Great Lakes carrying a million bushels of grain. They can now be unloaded in a matter of hours. Yet in some of our ports the operation takes four days. Shovels are still used to load or unload a million bushels of grain. I see in other places great boat-loading facilities and when I realize that we still continue to use the old techniques at our terminals I suggest, even though this is not dealt with in the bill, that what is needed among other things to make

the railway system efficient is a complete revision of our port facilities. I suggest that this matter should be dealt with at an early opportunity.

To those of us who come from the prairies I say, without fear of contradiction, that we need a modernized country elevator system. We still use the same elevators that were used at the turn of the century. There is such a devotion to the old type of country elevator system in western Canada that it is hardly recognized that this method is costing the farmer 3 to 7 cents a bushel more than what he would be charged if we had a new system. This matter has a bearing on railway rationalization. Before you can ask the elevator companies to accelerate the building of a modern country elevator system you have to come up with a rational plan, not in 15 years but in the next year or so, whereby the companies can be told where these elevators can be built safely.

The third fact I want to put forward has to do with the question of rationalization which I have referred to once or twice before. I think I have made it clear that the government must lead and must act in this field. The bill says that the Commission may make recommendations to the railways. To me this is a waste of time. There is one section in the bill which can be utilized and which give the government power to clear up these points in a matter of two or three years. I say this power should be used.

Running rights are not new, and if I had to mention every single case in western Canada where foolishness in operation exists I would be here for many an hour speaking about it. Naturally one tends to pick the examples with which one is familiar, but when I think of some of the great areas of grain production in western Canada, the Goose Lake area, towns like Eatonia, Snipe Lake, Eston, Hughton, Forgan, Dinsmore and all the other grain towns through which a tremendous volume of grain passes, I do not need to be an expert in railway management to know that unnecessary cost is involved. The answer is so simple. For example, if we could get the C.N.R. to switch its trains to C.P.R. lines, go across the Outlook bridge and get back to the main line, that would be one case where a saving could be made. Rationalization was a new idea a few years ago but now it is a fact which we must accept. We can no longer let the railways dither and delay accepting efficient methods of operation. If we have to put up millions of dollars in subsidies for the railways we do not want to see these subsidies used for inefficient operations. This is the main point I am making. This is a new factor, and we must accept this principle of rationalization.

• (3:20 p.m.)

Another factor is productivity. I do not know how many Canadians know it but in the last few years some 12 million or 13 million acres of land in western Canada have had the bush cut off, the stumps pulled up and the land broken to produce more grain. These 12 million or 13 million acres account for more good farmland than Ontario uses. This is what these so-called broken down, small bush farmers in the west have done in the last few years. It is a revolution in itself. All the economists, all the experts have been telling these smaller farmers that they are finished. They have been saying that you have to have a great, big farm. The farmers say, we homesteaded this land or our fathers or grandfathers did and we are not going to give it up. They have cleared the bush, broken this land and now they are able to produce crops quite easily so that now we have a production of 700 million bushels plus.

The point I am trying to make is that many lines that are up for abandonment are in these areas which were not heavy grain producers a few years ago. What little grain they did produce was used to feed live-stock. Now they are areas with tremendous surpluses. A few years ago when I was the minister in charge of the Wheat Board I used to think a three or four bushel quota would clean up the grain in these areas with smaller farms. We know now that these are areas with heavy surpluses of grain. Larger quotas have cleared the grain off the big farms which were supposed to be efficient. However, the little fellow is now using machinery just as the big fellow does. He is using fertilizer and he has new land. In addition, he has an incentive to produce which he did not have five or six years ago because he knows he can sell his grain.

This means we have a new factor to consider. Many of these areas were not considered to be big revenue producers for the railway but they are now large grain producing areas. This is a new situation which I have put on the record in some detail. We have to face the fact that there is a new situation. I was hoping this bill would have indicated a realization of these new factors which are not particularly secret. They are

well known. I hoped the bill would indicate a complete break with the philosophy of the past, namely, that the railways' share of the traffic was dropping from 60 per cent to 40 per cent and therefore we should ease their misery in their declining years. Instead we get a bill which, when we read the sections dealing with branch line abandonments, indicates the tortuous process we will have to go through in connection with the abandonment of lines.

If I may, I should like to take the liberty of quoting from the bill. The government is very kind to us. When lines are going to be abandoned posters are going to be put up all over the place.

Mr. Douglas: Death by inches.

Mr. Hamilton: It will be death by slow strangulation. I find one example on page 24 of the bill. It reads:

> The company shall post in each station of the branch line to be abandoned under this section and keep so posted for such period as may be prescribed by the commission a notice of any order or direction under subsection (4) or (5) made in respect of that line.

If you read the other sections, you will find they are going to give us five years of living on borrowed time. I have one other example which is found on page 32. Reading this section is like drum-fire on our sensitive nerve ends. It deals with costs and claims and reads in part as follows:

> (a) post notices at stations served by the passenger train service; and
>
> (b) publish notices in any paper or papers circulating in the area served by the passenger-train service.

We are going to be the best informed of any people in the world as we go to the hangman's noose. I could not help but tell the minister last night that in my opinion this bill is a pessimistic one. All I have to do to give myself nightmares is to take all the applications for railway line abandonment, take a coloured pencil and put a heavy line along those lines in Alberta, Saskatchewan and Manitoba. It is the most frightening map at which you can look, particularly when you estimate the number of people who are going to be affected.

Last night, therefore, I made an appeal to the minister to see to it that the situation is not hopeless. In view of the facts I have just given we should take away this fear of abandonment. We should end the long drawn out process outlined in this legislation for handling abandonments. In addition, we should increase the efficiency of railway operations so they can make more money and I hope they use some of it to pay their men additional wages and reduce freight rates.

In order to make this possible we need, in addition to what we have in the bill, more than an oral statement from the minister that his intentions are to go even farther. I should like to see a written statement from the government setting forth government policy. The branch line procedures outlined in this bill add to the fear under which we have lived for the last number of years. There are doubts about the government in western Canada. A definite and clear statement of this kind, which we knew could not be changed, would clear away one of the issues dividing us in this house. It would get these abandonments off our necks. We are going to have a big enough fight on railway freight rates without getting into a fight about railway line abandonments. I know the government has been working on this matter and I should like to get a statement of clarification so that we can vote on the other principles contained in this bill. I do not want to go into all the details but I think the minister can guess what they are.

Mr. Pickersgill: Rather easily.

Mr. Hamilton: The first thing we need is a declaration by the government that all applications for railway line abandonment in western Canada are going to be thrown out. The next thing would be to issue a list of lines on which the government would not accept applications for abandonment until 1975 or for about ten years. From the amount of use made of lines in western Canada not only for grain but for other bulk products I know the lines that will be on this first list. They will be the majority of the lines for which applications have been received for abandonment. I ask that those lines not only be taken off the list but be protected for ten years.

Mr. Pickersgill: Would the former minister like to ask me now?

• (3:30 p.m.)

Mr. Hamilton: I have one more statement to make and then I will ask the question.

The third thing I want is an undertaking in this written statement that a plan of this kind will be undertaken in the form of a consensus arrangement in the sense that we will all know now the lines that will be considered

for abandonment. Then members in this house will know how they are affected. If there is general agreement on this, then they can go forward. The ones on which there was going to be debate could go through the procedures outlined in the bill and we are prepared to accept those long procedures. Let us remove this fear of abandonment from the minds of so many thousands of our western people. My question to the minister is this. Will he consider giving an undertaking in writing to remove these applications entirely, to list the lines in relation to which no applications will be considered, and will he let us know which lines will be in doubt, so that we can begin to get down to making decisions?

Mr. Pickersgill: Mr. Speaker, the hon. member is awfully good to let me intervene at this point to answer his question, and I appreciate it very much. I saw the presidents of the railways this morning, but for another reason. I took advantage of the meeting to ask them whether I might be permitted to say that on the very day on which this legislation passed they would withdraw all their existing applications for abandonment on the prairies, and that they would revise their applications in the light of the decisions made by parliament and put forward in the legislation, not as it stands at the moment necessarily but as it emerges from the committee and is passed by parliament. I was given the authority of the presidents of the railways to say that that would be done.

In other words, all those applications which are in suspension, none of which is being proceeded with, will be withdrawn on the day the legislation is completed. I think it is only fair that they should wait until then, because they would prejudice their own position if they acted and if we did not proceed with the legislation.

Mr. Diefenbaker: Would they be refiled the next day?

Mr. Pickersgill: They would only be filed on the basis of what parliament decided in the legislation which was passed.

To answer the hon. gentleman's second question, I thought I indicated in a general way last night—but I think I can be a little more specific in reply to his question—that I hope to get the approval of my colleagues to some of these things, though not perhaps before second reading because this week has not been an easy week to conduct deliberations with them. However, the government has already decided in principle that a network of railways in western Canada will be guaranteed as essential for a period of years.

Just as soon as it is possible for me to give the details I will give them to the house or to the committee and make them public. I will also give the date before which no applications under any procedures for abandonment will be considered on this essential network. As the hon. gentleman has said, I think that will accomplish the second purpose.

The inference to be drawn from this, of course, as all hon. members will realize, is that those lines which are not included in the guaranteed network will therefore be candidates for abandonment by whatever system parliament decides on. However, I think that that means that even a lot of those lines may not necessarily be abandoned. Some of them will not. However, they would not be guaranteed for the relatively long period suggested by the hon. member, or for some other similar period.

In respect to the new procedures for abandonment, I hope it will be agreed that the priority should be given to those lines that carry the least traffic, unless they are situated in an isolated area, are the only form of transport and are required there. But speaking generally, those lines carrying the least traffic will be the ones considered first.

I think that if these procedures are followed, then most of the fears that the hon. gentleman and I well know do exist in western Canada will be removed very quickly. I would be hopeful that something very like the consensus suggested by the hon. gentleman would be reached. I do not expect that we will get everybody to agree; we never can. But I think that we would make very rapid progress in this field; at least, that is my hope. I am very grateful to the hon. gentleman, as I say, who has given a great deal of study to this matter, as we all know, for giving me the opportunity to agree with him.

Mr. Hamilton: Mr. Speaker, I want to say at the outset that the second point of the minister's statement is the key one. You have to give this guarantee in advance that for ten years, say, no more applications will be considered in respect to those lines.

Mr. Pickersgill: That is right.

Mr. Hamilton: If we are given that by the government, then I think we have achieved a great deal today.

I want to clear this matter away, because if we can handle this question in the way I think it is going to be handled, then we have all served our constituents well. However, there are still the major issues which I said were concerning us, and the issue which I touched on last night I have to deal with first. This is the question of costing.

Costing is the key to the second principle enunciated by the minister this morning. He mentioned that we should accept as a first principle that there should be a "superboard". He mentioned that he thought we should accept the principle that there should be subsidies paid for things done by the railways in the national interest which were non-compensatory as far as the railways were concerned. That is all very fine, but who decides what are the costs before we pay them? On this costing—

Mr. Pickersgill: Would the hon. gentleman permit me to ask him a question?

Mr. Hamilton: Well, will you make it brief.

Mr. Pickersgill: Yes. Does he not think that inevitably on the part of the government there will be a more direct and immediate interest in this matter than there has ever been in the past? Because these subsidies would have to be paid by the Minister of Finance out of the treasury, and obviously he is not going to accept anybody else's costing, except the costing of the government.

Mr. Hamilton: This is the very argument I wanted to make, but I would ask the minister to let me complete my remarks.

Mr. Pickersgill: I apologize.

Mr. Hamilton: It is an imposition on me continually to have to bring my train of thought to bear on this. Costing is the key, for the simple reason that as far as we can find out there is no finally decided costing system on railroad accounting that we can allocate to each item; there is no precise percentage. We have been all through this many times before. I gave an example last night and I will give it again now.

When the railways put forward the proposition in 1959 that they were losing money on the Crowsnest rates, the prairie provinces asked for confirmation of this. The railway company hired a cost accounting firm of high reputation, they studied these figures, allocated costs to this item and to that item and said that the costs they had allocated to the Crowsnest rates, as compared with the revenue, showed a loss of $17 million on hauling western Canadian grain on Canadian Pacific lines.

This so disturbed the western prairie governments that they hired an equally competent firm, and this equally competent firm looked at the same figures, allocated amounts of money to different items in the way they thought it should be done, and showed that the C.P.R. had made a profit on hauling western grain that year. This meant that the commission was faced with two conflicting sets of figures prepared by experts, both reputable, so they hired a third firm. They looked at the figures, juggled them around, and thought that neither set was right but that probably the railways had broken even or, at the best, lost half a million.

My point is that we are going to be asked in this legislation to say that the terms of costing should be left to the Board of Transport Commissioners, or to the new body, the Canadian Transport Commission. On the past record of experience we have found over and over again that the Board of Transport Commissioners has had no choice but to accept the railway figures. The statement that the new board will set the costing does concern us. If the question of the Crowsnest rates were to be raised in this bill as it was in 1964, I was going to propose that parliament, not the cabinet or the new board, set the terms of reference for costing.

• (3:40 p.m.)

We, as laymen, do not know anything about the details of costing. When we get three firms looking at the same set of figures—three able firms I might say—and coming up with three separate answers, we had better make sure of the terms of costing used by the board when it examines these things. In my opinion we should have been prepared, in the example I gave, to have told the board that the costing for the next two years or five years should have been on the basis of the findings of the third firm, which was somewhere between the other two. In other words, parliament has the duty to protect the taxpayers of this country, and to do that parliament has to have more information, so that it can direct the limits or, if you like, say to the Canadian Transport Commission, something about the guide lines on costing. I used that example, although I know it is obsolete under this bill, because it is admitted that the Crowsnest pass rates make money for the

railways and there is no need for the subsidy for that.

The same thing could apply when we come to look at passenger services. We will have to pay subsidies for passenger services which lose money, but which costing figures will we use? The minister says we will use the government's costing figures, but in the past, the government has gone to whom? It has gone, and it goes to the Board of Transport Commissioners. And what figures does the Board of Transport Commissioners use? It uses the railway's figures; so that you might as well not bother with that procedure. I am simply saying that we have a responsibility in this legislation to give some sort of directive to the transport commission which would indicate some guide lines for them to follow in deciding which costing procedure we will start with. We ought to be laying down the procedure, which they can change as they learn more from year to year. As the board gets more and more staff members, who are experts in this business, it will be able to compete with the railway economists and with the railway accountants. There may be better ideas from other quarters of the house, but I do think that on the question of costing and costing procedures the new board will have to be directed for a few years yet by parliament.

I want to add one more point to what I have said about costing. Two years ago I suggested that we should look at each of our areas in western Canada, by areas. Now I think we should make it clear in this legislation that we are going to look at the prairies as a unit, and that the railways will have to prove loss on the prairies rather than on individual lines from point A to B. All the way through this bill you see this business of costing your losses on the basis of having a starting place and a finishing place on a line. This is what sends us up the wall. At the very beginning of section 314, dealing with the matter of lines, it refers to—

> —the costs incurred by the company in any financial year thereof in the operation of the line and in the movement of traffic originating or terminating on the line,

And it goes on to say:

> over
>
> (ii) the revenues of the company for that year from the operation of the line and from the movement of traffic originating or terminating on the line;

This business of determining that the loss will be the loss from point A to point B means that the taxpayer is helpless, because we have no way of ascertaining for sure what the costs and revenues with respect to that line are, except by accepting the railway's figures. Therefore, to get away from this trap that is in the legislation, when considering these lines that are up for possible abandonment I think we should look at the whole thing on an area basis, and the area should be the whole region. It must be remembered that these lines that are above the marginal level in their generation of grain shipments add to the profit of other sections of the line. It is when we forget this, that we could fall into a trap, as legislators, if we accept this definition of costing in the bill. When we use figures with respect of point A and point B, what do we know? What are the real losses? We are in a complete trap and at the mercy of the railway accountant.

An hon. Member: That applies also to the costs of operating.

Mr. Hamilton: That is what I said. We can look at the revenue figures, but unless we have some way of costing, we are completely helpless. Therefore, adopting this principle in the bill of taking point A to point B, in my opinion at least, is bad. We cannot allow the taxpayers to be robbed, on a principle such as this. The only fair way to do it is to put the whole area together.

We will co-operate in getting rid of lines which are not necessary. Fortunately, there are not too many of these now. But when the matter is all rationalized, and operating, we will not give the railways a single cent until they do the things we want. In other words, there is no subsidy and no help until they rationalize their operations in all these areas, as the government directs them to. And if this rationalization procedure is not acceptable to the railways, there are no subsidies, period. That is the only language they will understand, and that is the only way to get these things done.

When I see a section such as the one I have referred to, I have to warn the house and I have to warn the country that we are turning ourselves—that is the taxpayers of this country—over to the hands of the railway accountant. This we cannot allow.

The next subject has to do with the super board. We have had three boards before, handling aeronautics, rail and water. Now we have a board that handles rail, air, water, motor transport—I suppose that includes buses as well as trucks—commodity pipe lines, and other things. Bridges do not come under the board, but are administered by the Department of Public Works. The theory is

that by having one board, or with supervision at the top over the five sections of it, we will be able to co-ordinate things better. This theory sounds good, but all sorts of questions come into my mind.

In the past all these boards have tended to operate purely on precedent. The precedents of one board however, are isolated from the precedents of other boards. In the period in between, when there will be this adjustment to a super board, I presume the tendency will be for the board to accept the precedents from the original three boards. To my mind this might be a good opportunity to hear from various hon. members of this house as to how they feel, or as to how parliament feels about laying down some guide lines and some terms of reference, so that this super board will know what we feel about certain things.

Let us take an example. Over and over again in this bill is repeated the fact that every rail rate charged to the shipper shall be compensatory. The bill says that the railways cannot charge a rate which is less than the variable cost. This is an out-of-pocket affair. We will not let the railways charge less than it costs to transport certain goods. That sort of provision is primarily put in as a protection to truckers. But now that we are going to take over interprovincial trucking we will have to deal with the truckers to work out some of the arrangements for their freight rates. What is the attitude of the house about setting rates which are below trucking costs? What control can the board have over this when, at the present time, this is up to the provinces.

I think this is a question that should be looked into. If the interprovincial truckers come under federal legislation, and if we are going to turn over to this super board, the power of running this whole country, this is the time when parliament should lay down the terms, limits or directions for this board to adopt. I should put this in the form of a question, because quite frankly I have not come to any conclusion of what we can do on that score.

But I do say that if we are going to force the railways not to go below a certain price or charge, and if we are going to take over air transportation and trucks, we should be careful in co-ordinating tariff rates.

The next question, that of passenger services, is a subject on which many hon. members will have much to say, and many ideas to express. Under the proposals in this bill the railways are going to be allowed to abandon passenger services on the basis of cost, and if we as a parliament or government decide that they must continue passenger services for the national interest, then we are going to pay 80 per cent of the losses.

The first question I ask is, who is going to do the costing on that? But beyond that there is a bigger question. Today the C.N.R. railway management holds to the view that there is a future in passenger services in Canada, and is doing all it can to get passengers to ride the C.N.R. When passengers get on C.N.R. trains the management does everything it can through its staff to make travel as comfortable and friendly as possible. Here you have a railway management and staff all pulling together to get people to ride on their railway. But when you go from the C.N.R. to the C.P.R. it is just like going from a nice warm pleasant bath to a cold frigid shower, because apparently at the top level of the C.P.R. they have decided that they do not want passenger service, and by various means they have got this philosophy through to some members of their staff, with the result that the most frightful things happen to you on the C.P.R.

• (3:50 p.m.)

You can phone up for a reservation and they say, "Oh, we cannot get you a reservation for days, weeks or months." The first two or three times you get fooled by this, but then you walk down to the station, walk on to a train and take a chance that you can con the sleeping car conductor into getting you some accommodation. Then finally, when you get into the sleeping car you find it is half empty.

When you say to the conductor, "There is something funny going on; I have tried for days to get a reservation," he usually replies, "I don't know anything about that. All I know is, there's a lot of space here." On three occasions this last summer I was unable to get space on a C.P.R. train, but I took a chance, walked on, and every time I found any accommodation I wanted.

Mr. Nicholson: Mr. Speaker, would the hon. member permit a question. Would he be interested to know that a C.P.R. train left Toronto this morning without a single passenger on board?

Mr. Knowles: Now who is striking?

Mr. Hamilton: I think my point is well made. I believe it should be pointed out to

the C.P.R. that if they want to abandon all their passenger services, we realize we cannot force a railway company to haul passengers. We cannot force them to be nice to their customers if they do not want customers, but we do have a right to say that we want running rights over the C.P.R. lines so that the C.N.R. can carry passengers and give somebody some service.

While speaking on this question of passenger service I must say that I have seen morale decline among C.P.R. employees. I have seen morale decline on the express services. I cannot understand, and neither can the railway workers understand what management is trying to do. Here is a railway company that over the years has served Canada tremendously.

Coming from a C.P.R. family myself I know of days when the C.P.R. was tough and hard, and the employees were proud, as railwaymen, to work for a tough and hard company. If a man made a mistake he got some black marks, some demerit marks; but the men did their best to get the odd merit mark. They were proud of a railway that was rated as a crackerjack railway. But now when you talk to railwaymen on the C.P.R. they do not know how to explain this new management attitude.

This is a problem that affects the efficiency of the company and we have a right to bring it to the attention of the C.P.R. If they want to get out of passenger services they should do it in an honourable and open way, and let arrangements be made for the other line to carry passengers over their rails. These are questions which other hon. members will raise in this debate.

Turning to the question of commodity pipe lines, to my knowledge Canada at the present time has not got a single commodity pipe line. Oil and gas are covered under the national energy legislation, but apparently the government proposes to bring this new type of operation under the transportation board. I think the logic is good.

When you look at the bill you see the government has included some sections of the National Energy Board Act, to protect Canadian ownership and management, and I suspect this is the only place in the bill where it is proposed to give power to the government to direct. It does not direct the railways, trucks and air lines, but people engaging in commodity pipe lines are going to be directed by the government. I think the reason the cabinet's courage got so high is that there is at present nobody to direct.

Are we just to set up a framework of technical regulations? What are the terms of reference under which we want this section of the board to operate? For example, how are charges going to be set on commodity pipe lines? Whether you like it or not, Mr. Speaker, a pipe line is a type of monopoly, and a type of monopoly must have some control over charges.

Are we going to use the principle laid down and accepted in the oil and gas industry, namely that the charge must be such that the maximum return on capital is 7½ per cent. Are we going to allow this 7½ per cent based on a rate base system, a combination of equity and bonding debentures? What are the terms? I ask, has not parliament the duty to see that something is done in this respect, that something is laid down much more clearly respecting the guiding of these commodity pipe lines for the protection of the public, and so that the companies can operate efficiently and rationally?

I said last night that as a person who is very friendly to the concept of railways I have long hoped for the day when railways would go into all types of transportation, such as air and water. Now pipe lines are going to become a bigger and bigger part of the transportation picture and the railways, in order to keep themselves fully competitive and integrated, should be one of the first types of companies to move into commodity pipe lines.

If more and more of the goods of the country are going to be hauled by pipe lines, then the railways should be planning now to set up pipe line companies either as subsidiaries or separate entities. Sometimes I think it would be best for the two companies to work together, although this creates a monopoly. If they do not get into this field, transportation revenues will pass away to competitors and once again the industry will go into a decline.

We have all heard about the studies presently being conducted into the movement of grain through a commodity pipe line. Other hon. members are more knowledgeable than I with respect to the technical terms, such as the slurry technique and the capsule technique, but certainly within the next decade grain, potash and wood chips, which were once heavy bulk products handled by railways, will be handled by pipe lines.

The contention that I am putting forward now is really none of my business. I cannot force the C.P.R. and the C.N.R. to go into the pipe line business, but I think we should let those companies know we in this house feel that they should be looking to this new form of transportation in order to keep themselves alive and competitive. I would even go so far as to suggest they should consider not only commodities carried by pipe line, within the definition of this bill, but also the question of oil, which we shall have to consider within the next few years.

• (4:00 p.m.)

There is another point in this bill about which I am very worried. In the old bill we had clauses on agreed charges; now they are out. This is another reason I was completely pessimistic as I read the bill. The agreed charge section is out. What is the agreed charge section? This is a section which allows the railways, when building a market, to charge a rate which is not compensatory, because they know that at the end of three, four, five or six years the market will develop to such a point that they will be in the black. You cannot develop a country, particularly in the mining and wooded areas, unless in the first stage there is a loss period.

The railways now are forbidden to open up a new area like this, if this section is out. I may be wrong, but as I read this section it seems to me it has disappeared. I can refer to it at page 49. I see the Minister without Portfolio (Mr. Turner) shakes his head. It says:

> The heading preceding section 349 and section 349 of the said Act are repealed.

The note says:

> This section permits the board to authorize special rates for specific shipments between points not being competitive points, to develop trade or to create business, or for the advantage of the public interest, if not otherwise contrary to the act.

As the clause says, it is going to be repealed; and as the explanation of the clause stands, I can only take it that the section is out. The agreed rate system can be helpful; only if it is hurting anybody else in opening up an area is it not helpful. We know that the minimum rates are compensatory; it is repeated again and again in the act. It is for the protection of the trucking industry. The maximum rate control provisions in this bill are the same as they were in 1964. The clauses in respect of the captive shipper are lengthy. Many people think they are adequate, but frankly I know that some will debate the details of the captive shipment principles. I will leave that to the experts.

What I should like to wind up with, and express in the strongest terms, is that under this bill I do not see an end to the discrimination in rates. In looking at page 51 of the bill under the part headed "traffic, tolls and tariffs", I find that it reads as follows:

> 381. (1) All tolls shall be just and reasonable, and shall always, under substantially similar circumstances and conditions with respect to all traffic of the same description carried over the same route, be charged equally to all persons at the same rate.

That sounds wonderful, but there is one thing left out. What about region to region? This is where I need the help of persons who are extremely qualified in interpreting this. To me this reads that, in respect of an article going over the same route, any person buying a similar article in the same area gets the same rate. Suppose I live in Saskatchewan, that this rate applies only from Toronto to Sudbury and I want to get the same type of goods from Winnipeg to Saskatchewan. All the people in that area get the same deal under this section, but it may be anything at all compared to the rate from Toronto to Sudbury or vice-versa. The way this is written I do not see anything but regional discrimination again.

What has been the policy all down through the years? This is what the fight has been about. As the railways needed more money, from the thirties on, they applied freight rate increases all across the board—10 per cent, 12 per cent, 17 per cent. They obtained authority from the Board of Transport Commissioners to apply this all across Canada, but they never applied it all across the country. They applied it only in the areas where there is no competition. In the main, these areas were the maritimes and the prairies. The same discrimination applied in areas of northern Ontario and northern Quebec, but the only thing different about the northern areas of Quebec and Ontario in relation to the maritimes and the prairies is that no one in these areas has fought for these people; that is the reason they never heard much about it. This discrimination, however, has been consistent. Every time the railways wanted more money, up went the rates. Naturally we look for a clear explanation. Goods of the same sort carried the same distance should be shipped for the same price whether in Saskatchewan, New Brunswick, Ontario or British Columbia. That should be the principle; we have fought so hard to get this principle accepted.

I am only a layman and others may have an interpretation which will clear this up, but unless I am misreading the bill, this principle is not contained in it. I have to tell the minister that in spite of his remarks this morning I cannot vote for the second reading of this bill until this point is cleared up. This is the reason that yesterday I made the appeal that we do not have this debate on second reading. I do not want to stop the good sections of this bill because of the things with which I do not agree; but this is all fundamental to our economic well-being. I do not wish to turn over to the railways the right to say that one area will develop and another will stagnate. Being extreme in my views, it seems that a railway could decide to ship goods from Winnipeg to Brandon at such and such a rate, and at a different rate from Winnipeg to Kenora. One town would have high rates and all the people in that area would have high rates, while all the people in the other area would have low rates. I have spoken to a good many people who feel as I do, and this is the interpretation they put on it. This is the reason I have no choice but to fight as hard as I can and as long as I can. This is a battle we have had for 30 years and it must be cleared up in a manner satisfactory to all.

I appeal to all parties in this house, not only on the opposite side, to realize that this is the key, the real issue. We can resolve the question of railway line abandonments in western Canada. But the point on which the country is dependent is that there will be equality in carrying a certain amount of goods a certain distance and that the rate should be the same in any part of the country. That is the main contention that I put forward. I am not going to deal with the matter of the maritime freight rates or the grain rates; they are protected for two or three years.

Mr. Pickersgill: No; indefinitely.

Mr. Hamilton: For at least two or three years I will not deal with the Crowsnest pass rates, because I think it is clear that that is out of the way for at least three years. The question of labour we debated at length during our study of the previous bill. I am certain it will come up in respect of this bill, because there was a section there which was not too good. But at least it was there, and now it is out. I thought they were going to put in the labour section, but we hear rumours it will be in another bill. We do not know yet. These things I will let go for the moment, because I think they will be covered adequately by others. I just mention this, because we will have an opportunity to express our views later.

• (4:10 p.m.)

I have been on my feet for a little over an hour, but I do not apologize to the house. As I said last night I feel we are now considering, a bill which is related to the lifeblood of this country—the railway system. The railway system has built Canada, and has held Canada together. In view of the growth of other modes of transportation in the last few decades, and the tremendous growth of the country itself, coupled with the impending growth in industry in the next few years our philosophy should be that our railways are going to be expanded and become the key part of transportation.

The railway should extend into all forms of transportation. We as legislators must try to provide principles which will guide this transportation system for generations to come in order to make sure they have the opportunity of expanding. No matter how we twist or turn, transportation of some sort must be controlled in the public interest, because this is a quasi monopoly. The public must be protected. I have indicated the areas in which we must protect the public and the areas in which we can co-operate to help this expansion. I have indicated the areas of this bill with which I disagree. I hope as we proceed we will develop within a few months a bill of which we can be proud in years to come.

Mr. Turner: Mr. Speaker, I rise on a point of order, without exercising my right to speak. The hon. member for Qu'Appelle referred to me when he was talking about agreed charges which are covered in section 16 of the Transport Act. This section has not been affected at all, consequently clause 61 of the new bill does not relate to agreed charges. I wanted to make that point clear at this stage.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, Bill C-231, an act to define and implement a national transportation policy for Canada, is one of the most important pieces of legislation to come before this parliament at this session, because it has overriding implications regarding the Canadian economy, and its growth and development. The house agreed to waive the resolution stage of the debate and consequently there

are a great many details with which we are not familiar. We did not have the opportunity of questioning the minister to obtain clarification of a great many points. As a result I have some trepidation about entering the debate. There are quite a few points in this bill about which I am not at all clear. Since that fact did not deter the Minister of Transport (Mr. Pickersgill) from taking part I see no reason why I should allow my modesty to keep me seated. I am just pulling the minister's leg of course, because the minister is very well informed about this subject and displayed that fact by his excellent speech last night, without a single note. He was operating under a terrific handicap, expecting momentarily that the house would be summoned to the other place. He reminded me a bit of Wellington who, during the battle of Waterloo, is supposed to have taken out his watch and said: "Blucher or night". The minister seemed to have made his speech with the thought: Usher of the Black Rod, or adjournment.

The Minister of Transport made a very informative and witty speech, but I thought he would likely get into trouble as the result of his statement that the Prime Minister (Mr. Pearson), as usual, was going to have to backtrack. There is an old saying that many a true word is spoken in jest, but let me remind the minister that this kind of witticism from a minister might get him summoned to the other place.

Mr. Pickersgill: Surely the hon. member is not imputing motives in making that observation?

Mr. Knowles: The hon. member regards that as a fate worse than death.

Mr. Douglas: I also thought the minister's remarks about newspaper editorial writers in the city of Toronto had a somewhat bitter note.

Mr. Pickersgill: No.

Mr. Douglas: The minister took very strong exception to an editorial which appeared in the *Globe and Mail* under the heading "Can Politics be Kept out of Transportation". I think the minister was a bit hard on that Toronto newspaper editorial writer. This probably resulted from a guilty conscience because of the extent to which politics has entered the administration of transportation in this country.

The minister made a very informative speech with respect to the machinery and techniques which will be set up under this legislation. I was disappointed that I did not have the feeling that the minister was outlining a national transportation policy with which this house could be fully seized. I felt that the minister was unfortunately vague on the matter of policy. He began by saying that one could not take politics out of transportation. I should like to quote what he said as reported at page 7989 of *Hansard*:

> I hope the day never comes when some editor in some ivory tower in Toronto is able to take politics out of transportation.

In one respect I believe there has been too much politics in transportation.

Mr. Pickersgill: Mr. Speaker, I am sure the hon. gentleman is not attempting to misrepresent what I said. I said exactly what he is now saying. There are two kinds of politics. One is the kind that all of us who have any self-respect in this house are proud to practice, while the other is the kind which editorial writers seem to have on the brain and which I would describe as a dubious kind of conduct which is not confined by any means to politics.

• (4:20 p.m.)

Mr. Douglas: I was about to say that part of the sorry mess transportation is in at this time has been in large part due to the shenanigans that have gone on among railway promoters and politicians. In that regard, as I shall show later on in my remarks, I think the sooner we get politics out of transportation the better it will be for Canada. When the minister says that we must have politics in transportation I take it he means we cannot have transportation in this country without government control and direction. I am completely in agreement with that suggestion. One cannot operate a transportation system in the same way as one operates a soap factory or an automobile assembly line. A transportation system cannot be operated merely on a profit and loss statement. A transportation system, particularly in Canada, has certain very definite functions to perform. As the minister said last night, transportation has been the life line of Canada. Here we are, 20 million people spread across the American border stretching for some 4,000 miles, with a depth varying from 200 to 300 miles in the settled parts of our population. We have a straggling, sparsely settled population that must be linked by adequate transportation

services. From the time Canada was born transportation has been the main consideration of the governments that brought Canada into existence and have conducted its affairs in all the years from then until now.

There are few countries in the world that are so dependent upon transportation. We are dependent upon transportation because such a large part of our produce has to find its way into world markets. There are few countries in the world where the people spend such a high proportion of their per capita income on the transportation of goods and people. Consequently for nearly 100 years transportation has been a matter of national policy and could not be conducted in the way one would conduct an ordinary business of manufacturing or mining.

One of the principles that has had to be followed is that a transportation system must get our primary goods, as well as our manufactured goods, to world markets at competitive prices. This is why we have had such things as the Crowsnest pass agreement, to allow the farmers of the prairies to get their grain into world markets. This is why we have had various subsidies to enable Canadian manufacturers and primary producers of minerals, pulp and timber to get their goods into world markets.

In addition to that, national policy has dictated that Canada had to develop its great industrial potential in central Canada. This is a fact that is sometims forgotten. We often meet people who tell us how much assistance has been given to the people of the maritimes and the people on the praries in the way of various subventions, subsidies or fixed shipping rates. But it is equally true that part of our national policy has been directed toward bringing raw materials to the great industrial complex of central Canada as cheaply as possible, and to bring fuel to central Canada. That is why we have had subventions on coal from the maritimes into central Canada. It has not been merely to enable the maritimes to sell coal but to given central Canada cheap fuel. That is why we have given assistance in putting gas pipe lines through to central Canada. That is why we have special rates on shipping feed grain from western to central Canada, to enable the farmers of central Canada to fatten their cattle for market.

I am not complaining about it, but I am simply pointing out that part of the national policy for decades has not only been to allow primary producers to get their products into world markets at competitive prices but also to help central Canada by giving them raw materials, feed grain and fuel at the lowest possible cost. The result of this, of course, has been to produce a freight rate structure that is a veritable nightmare. I had the privilege on two or three occasions of appearing, along with the late Hon. Angus Macdonald, the former premier of Nova Scotia, and the late Hon. J. L. Ralston, before the federal cabinet to appeal freight rate decisions of the Board of Transport Commissioners.

I think anyone who has tried to study the freight rate structure will agree that the longer you study it, the less you know about it. The freight rate structure is like the peace of the Lord; it passeth all understanding. But the fact is, of course, that we have learned to live with it. I think it can be improved. I think the discriminatory features need to be removed. I believe we should look very carefully at this bill which, while it may take some of the anomalies out of the freight rate structure, introduces an entirely new principle which could be dangerous in the extreme; because as I see this legislation it is designed to let competition solve our major problems in transportation. It is designed on the thesis that the competitive forces of the alternative modes of transportation will be effective in preventing exploitation of the shipper, and any abuse on the part of those who are in the transportation business. This was stated very clearly by the minister last night at page 7991 of *Hansard* when he said, referring to the MacPherson report:

> But the basic approach of the report was a new one. It was that there has been a development of alternative and competitive modes of transport in most parts of the country for most classes of travel, and that the kind of regulation of railway charges and practices by a regulatory body which may have been needed in the past was no longer essential for the protection of the public.

Mr. Speaker, that is a very debatable contention. I am afraid that in making that statement the minister let his free enterprise bias influence his judgment.

Mr. Pickersgill: Mr. Speaker, I am sure the hon. gentleman does not want to be unfair to me. That was my interpretation of what was said by the MacPherson commission, as he pointed out at the beginning of his statement.

Mr. Douglas: Yes, and I am assuming, of course, that the minister agreed with the position of the MacPherson commission and that this legislation is introduced to implement the recommendattions of that commission. All I am saying to the minister is that

the thesis that there are now sufficient alternate modes of transportation to provide enough competition that the public will be protected, without the kind of restrictions which have existed in the past, is extremely debatable.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would mind if I stated it the way I should like to state it.

Mr. Douglas: Mr. Speaker, the minister—

Mr. Pickersgill: I am simply objecting and saying that I am being misrepresented by the hon. gentleman, and I know he does not want to do that.

Mr. Douglas: Mr. Speaker, I do not object to the minister's jumping up and down, but he has a very bad habit of doing this. Our speeches are punctuated with his jumping up and down. I asked the minister a question last night and he said he did not want his train of thought interrupted. I kept looking for the train. I thought there was a strike on because the rails seemed to be comparatively bare. The minister did not want to be interrupted, and I do not want to be interrupted. Neither do I want to misrepresent the minister. Let me read the next paragraph:

• (4:30 p.m.)

Habits die hard. It has been very hard to get through our heads the idea that this has become true, and if we do not make a real effort of imagination it will be hard to appreciate the fact that many regulations which in the past were necessary in the public interest have simply become shackles in the present.

Surely that is clear. The minister has a perfect right to his opinion. I am not saying he has not; I am simply saying that the minister's thesis and the thesis which came out of the MacPherson report recommendations is that we now have sufficient alternate modes of transportation to give enough competition in this country to safeguard the public interest, without many of the restraints and restrictions which have existed hitherto. I say this is a debatable contention. I became doubly suspicious of it when I saw that the moment the MacPherson report was issued and the moment the government indicated this type of legislation, not only in this bill but in Bill C-120, which the minister introduced on September 14, 1964, it was hailed with glee by the presidents of both the big railways. When they begin to rub their hands in glee I always think that anyone who is concerned about the public interest and about safeguarding the pockets of the shippers of this country had better take a second look at the proposition which they are lauding to the skies.

I ask the house to look for just a moment at this thesis.

Mr. Pickersgill: Mr. Speaker, I do not like to seem to be popping up and down, and I apologize to the hon. gentleman, but if he is going to make a reply to my thesis I wonder if he would mind my putting in the part he left out of it. I said half a dozen times since this subject has come up that there are areas where there is a monopoly, and wherever there is a monopoly regulation is needed just as much as it was ever needed. However, there are other areas, and they are expanding, where there is effective and economical competition. It is in these areas that many of the regulations that were needed in the days of monopoly appear to me no longer to be needed now. If it is stated that way, I will be very happy to have it debated.

Mr. Douglas: I have no objection at all. As a matter of fact I was going to deal with these very points and will do so if the minister would just possess his soul in patience.

I want to ask in the first place: Where will this genuine competition exist? What are the alternative modes of transportation that will provide the competition so as to keep rates at a reasonable level? The argument is immediately put forth that the trucking industry will provide this kind of competition in some parts of Canada. And yet the fact remains, Mr. Speaker, that both the large railways in Canada have been acquiring large trucking operations, that they are already operating interprovincial trucking firms in this country, and that many of the trucking companies in Canada are just waiting to get a lucrative offer from either of the railroads. As the railways move into the trucking business—and I do not blame them for doing so; they would be very foolish to stay with only one form of transportation—which they have done and will do in increasing measure, where will the competition be then? Will the shipper have the choice between shipping by the railways or shipping by trucks owned by the railways, or maybe eventually by pipe line owned by the railways? We will be leaning on a broken reed if we depend on competition to keep transportation rates at a price that is fair and reasonable to the shippers who want to get their goods to market at competitive prices.

Second, what about the areas where there are no alternative forms of transportation? The areas in the maritimes, in northern Quebec, northern Ontario and on the prairies will not have alternate modes, and large parts of these regions cannot have a trucking service that is independent from the railroad. These regions will not have the kind of competition which would keep rates at a reasonable figure. What alternative will the shipper on the prairies have, one who wants to ship livestock over long distances, or the potash and the mining companies? What about the lumber companies and the pulp and paper companies of northern Ontario and Quebec?

The maritimes will have some protection for two years, but they too have always faced this serious situation, which we also have in western Canada, that whenever the railway companies have been given permission to raise the rates it has been the Atlantic provinces and western Canada which have borne the brunt of those rate increases. I cannot see anything in this bill that will give any guarantee of protection to the shippers of these areas.

If the government is going to take the wraps off the railroads, it will be able to get more money, which it claims it needs. I have very strong fears that the areas from which they are going to get that extra money are western Canada, northern Ontario and Quebec, and probably later on the maritime provinces.

In the television address which the Prime Minister delivered over the national hook-up on August 23 of this year he said this to the Canadian people:

> Necessary increases in wages of the railway workers since 1960 have on three separate occasions, been met by government subsidies to the railways. Such subsidies are now costing the taxpayers of Canada $100 million a year. The government cannot continue to provide subsidies to pay railway workers without imposing higher taxes. This we are not prepared to ask parliament to do.
>
> We do, however, intend to ask parliament immediately to pass transportation legislation based broadly on recommendations of the royal commission on transportation. This legislation will give the railways greater freedom to adjust their charges to meet competition and increase their earnings. Therefore, it should enable the railways themselves to bear the burden of a legitimate increase in wages.

This legislation, as hon. members know, called for the steady reduction of that $100 million annual subsidy over a period of eight years.

[Mr. Douglas.]

Where will the railways get this extra money to reimburse them for the loss of a $100 million subsidy and to enable them to pay increased wages? We may speculate on whether or not it is fair to have a subsidy which is paid for by all the people of Canada or else say to the railways: You can get this money instead out of levying higher freight rates on those areas of Canada where the competition places you in a position of monopoly.

• (4:40 p.m.)

I greatly fear that the removal of restraints and restrictions on railways with reference to freight rates will mean that certain regions of Canada, those I have already named, are going to pay the shot and that some of the burden which heretofore had been borne by all the people of Canada is going to fall upon those areas of Canada which can least afford to carry this burden. Certainly the maritime provinces cannot afford to carry it. They will have a couple of years of grace, but we do not know what will happen after that. Certainly the northern part of Ontario and Quebec cannot carry it. Already the prairie provinces are paying freight rates that are much higher than those paid in other parts of Canada, and they should not be called upon to carry this extra burden. If there had to be extra money for the railways, surely that is a matter of national policy. The funds to provide that extra revenue ought to be provided equitably by all parts of Canada and not the parts of Canada that at the present time are less prosperous and have less industrial development than other parts of this country.

The fact is, Mr. Speaker, that I do not believe that free enterprise and the competitive system of transportation can give Canada an adequate transportation policy at a price we can afford. There may be countries where they can afford to have all sorts of free enterprise and competition; different forms of transportation and different companies competing with each other, duplicating services. However, in a country of 20 million people where, as I said before, we are more dependent than probably any country in the world on getting our goods to market over long distances at competitive prices, where we spend more per capita on transportation than probably any other country in the world, I do not think we can afford the luxury of having a free enterprise, competitive transportation policy.

As a matter of fact, it is this free enterprise competition which has produced much of the mess in which we are now. The minister earlier talked about politics in transportation. He and I both agree that the government has to be concerned about transportation, and that politics, in one sense of the word, ought not to be in transportation. Undoubtedly, it has been from the beginning. Politics in transportation has bedevilled the history of this country.

There was the Canadian Pacific Railway which the government, and a group of railway promoters, started in order to link Canada together with bands of steel. We had the Canadian Pacific scandal which defeated the first Prime Minister of Canada. We have had grants and subsidies in one form or another to keep this company going. When it made money out of its transportation system, it put that into other ventures. Whenever the Canadian Pacific Railway was in trouble with its transportation system it came to the government and said: We cannot afford to carry on unless you give us subsidies and subventions and various other forms of assistance—always keeping behind their back of course the money which they had made out of the land grants, and the operating profits from their other enterprises. Then, we had the period of Sir Wilfrid Laurier and Clifford Sifton which was also bedevilled with railway promoters. There was Mackenzie and Mann and other railway promoters, providing duplicate services until most of them went broke. The Canadian people were then loaded with a second transcontinental system, and loaded with debt out of all proportion to the assets which they acquired. We have been suffering from that ever since.

Then came trucking, air services, water services and now pipe lines. Pipe lines are going to be a very important part of transportation in the future, let us make no mistake about that. The transportation of solids by pipe line is now well advanced in the United States. Experiments are being conducted now in Canada for transporting potash by pipe line. In the United States they are transporting coal and iron ore in pellet form by pipe line. Experiments are being conducted even in the transportation of packaged goods by pipe line. All of these various forms of transportation have been growing up, but they have been growing up like Topsy. They have been competing, duplicating and providing a degree of waste, high cost and inefficiency which has reflected itself in the very high payments which the Canadian people have had to pay to ship goods from one part of Canada to the other, or into the markets of the world.

One example of this duplication of service was seen only a few years ago when a special bill was introduced into the house to build a Canadian Pacific line to Esterhazy in Saskatchewan for the potash mine. The Canadian National Railways already were in there. At the same time the Canadian Pacific Railway was appealing to the Board of Transport Commissioners for permission to abandon other lines in Saskatchewan and yet they wanted to build a line to Esterhazy where there were adequate facilities already to ship the potash. It is this type of duplication, this wastefulness, this lack of co-ordination and integration which has caused so many headaches for successive governments with respect to transportation in this country.

I believe that what we need, Mr. Speaker, is more government control and direction not less, in the field of transportation. My quarrel with this legislation is that the Canadian transportation commission which is proposed has two functions, regulatory and research, and with that I have no quarrel. However, this is not enough. It is purely a negative approach. This commission will have the power to prevent the railway pulling up lines; it will have the power to restrict the railway when some captive shipper can prove the railway is taking advantage of him. The commission will have the power to make recommendations to the railways that certain steps should be taken in order to effect savings and provide more efficient service at lower cost. However, they have no authority to enforce decisions. They have no power to bring about integration, so far as I am able to discover through reading this bill. I think what we need is a Canadian transportation authority with some power to do the things which need to be done.

• (4:50 p.m.)

One of the reasons we get off on the wrong foot in Canada in the transportation field is that we have always thought of modes of transportation rather than of transportation itself. We have thought in terms of a railroad, we have thought in terms of a ship, we have thought in terms of a truck, we have thought in terms of an aeroplane, when with our limited resources and our sparsely settled population we should have been thinking in terms of transportation, which means the

task of getting people and goods from point A to point B, and the best way to get them from the one point to the other. We should have thought of integrating all forms of transportation so that one form of transportation would complement the other rather than duplicating it.

Every hon. member who has travelled across Canada knows that railway lines sometimes run close enough together that one could throw a baseball from one set of lines to the other. There is endless duplication. I can take members to places where two sets of transcontinental lines and the trans-Canada highway all run within sight of each other, and all are used as a means of hauling similar goods. There has been no co-ordination and no integration because we have thought in terms of separate modes of transportation rather than in terms of a single transportation system that would move goods and people from one point to another.

What I should like to see in this legislation is not just a commission set up, but a Canadian transportation authority clothed with the power to begin to integrate and to co-ordinate all forms of national transportation in Canada, so that we will be able to eliminate the wastefulness, duplication and overlapping which we cannot afford in a country like Canada, if we are to convey our goods to world markets at competitive prices without having to subsidize their carriage out of the public treasury.

I think this probably means that such a transportation authority would have to begin with the integration of the two railway systems. Instead of having some of the ridiculous anomalies which were pointed out by the hon. member for Qu'Appelle (Mr. Hamilton), and which I need not repeat, such as going 100 miles north and then 100 miles south again rather than switching on to the other company's line, examples such as this which can be duplicated at various points across Canada should be eliminated. It does not make sense not to have these railway systems integrated, certainly as far as passenger traffic and freight are concerned.

I think that the day will undoubtedly come when these two railways will have to be integrated as part of a government transportation system. By that time the railways themselves will probably be operating a good part of the interprovincial trucking system.

I think that a national transportation authority will have to move into the field of pipe lines for moving solids. Because if it does not, and if the public transportation system is to operate railroads and allow some free enterprise promoters to operate pipe lines, we will be back to the old situation of the government owning the most costly form of transportation and allowing private enterprise to make a lot of money out of other forms of transportation.

I am not hopeful that the government is going to be sufficiently farsighted that it is going to move as fast as I would like it to move. I want to tell the government that if it does not do this the day is coming when some government and some parliament will, in the not too distant future, be compelled by the pressure of economic events to take all of our national transportation systems and weld them into a single public utility. I think that is inevitable, and it would be far better if this were done right away.

One good thing about the minister's bill is this—

Mr. Deputy Speaker: Order. I must advise the hon. member for Burnaby-Coquitlam (Mr. Douglas) that the time allotted to him has expired.

Mr. Churchill: Carry on.

Mr. Douglas: I was interrupted a few times, Mr. Speaker, but if I may have a few minutes more I can finish.

Mr. Deputy Speaker: Does the house give unanimous consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Douglas: One good thing about the minister's bill is that it does propose to set up this Canadian Transport Commission which, while it has no power, has some regulatory authority and will do considerable research into the various forms of transportation. It is a first faltering step, and it will at least provide the framework within which this government or some other government, if it has the courage, will be able to build a genuine national transportation authority and eventually to establish national transportation as a public utility.

Therefore, I hope that this first faltering step which the government is taking will be followed up very quickly. I am convinced that this government or the government that succeeds it will find that in a few years this transport commission, because of its lack of power and authority, will not be able to solve

the problem. If the house does not at this time give that commission some power and put some teeth into the bill, then some subsequent parliament will be compelled to do so, after we have lost valuable years and very large sums of money.

In his speech on September 14, 1964, the minister said that this legislation was revolutionary. Well, we have heard of the quiet revolution, and we now have what I would call the timid revolution. It is a very tepid revolution. It is a move in the right direction and will bring the various forms of transportation at least under regulation. It is a start. But I hope that before the committee to which this bill is being referred reports back, it will give very serious consideration to putting some real muscle into this act so that the Canadian Transport Commission will become an authority, not merely a regulatory body.

I would urge the committee of the house to which this bill will be referred to think of transportation for Canada in terms of the last quarter of the twentieth century and the first quarter of the twenty-first century, rather than in terms of the nineteenth century. If transportation was vital to the economic life of Canada 100 years ago when the fathers of confederation began to dream of binding Canada from sea to sea with a ribbon of steel, how much more vital is it today in a world that is shrinking so rapidly, a world where it is absolutely essential to move goods cheaply and quickly if we are to retain our place as one of the great trading nations of the world.

The minister is right when he says that transportation is Canada's life line. If that transportation system is not efficient, if it does not provide service as cheaply as possible, if it does not free itself from wasteful duplication, then this country will suffer the economic consequences of our neglect and of our lack of vision.

• (5:00 p.m.)

I trust, Mr. Speaker, that when this legislation goes to the committee of the house it will get a full and complete revision, not in the light of past experience alone, but in the light of the great changes which face Canada in the future.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, at the outset, when the Minister of Transport was introducing this bill into the house, he made some point about politics in transportation. I think he went on to define the different meanings in the word "politics".

First, I should say that I appreciate the interpretation or connotation that the Minister of Transport put on the word "politics", and with the connotation that he used with respect to politics in transportation I agree. In spite of all attempts by editorial writers, and so on, across the country during the past two or three years in particular to degrade politics and politicians generally, we still must recognize that it is the politicians, particularly in this house, who stand between the government and the governed. That essentially is a noble function. It is also true that those politicians who have been maligned and degraded stand between the monopolistic interests in the country and the people of the country. Here again they perform a noble purpose. This purpose I think is being served reasonably well by politicians.

The Minister of Transport also commended to the members of this house the first clause of the bill defining a national transportation policy, and asked us to read it. I have read it. While it is very short, certainly no one can disagree with the objectives outlined in that brief statement.

Having said that, Mr. Speaker, we go on to read the rest of the bill, and we find outlined in the balance of the bill the ways and means of achieving the objectives that have been outlined in the statement of policy. I do not think the Minister of Transport would be critical if I suggested that there could be wide disagreement on the ways and means of giving effect to these objectives, so far as the other clauses are concerned.

Similarly, Mr. Speaker, as I look over the bill, those remarks might apply so far as the new transport commission is concerned. I agree with some of the other statements which have been made, that it is a step in the right direction. Although I will not cite cases today, the very fact of air routes and railway lines having been referred to different boards has had the end result of denying certain communities in Canada adequate transportation from either the one form of transport or the other. I hope that there will be an improvement in co-ordination so far as the public interest is concerned, when the new transport commission is set up, and I hope that the board will consider all modes of transport, so far as the over-all requirements of each community are concerned.

We have to examine in great detail the powers and duties of this new transport commission. As I look over some clauses of the bill I find that there are differences between powers that appear to be assigned to this commission and the powers that the existing Board of Transport Commissioners has had in the past. I am not going into detail, but I should like to quote one example. We have had what might be termed a long standing traditional right that any shipper could go before the Board of Transport Commissioners and plead discrimination—discrimination in his own individual case, so far as rates are concerned, and as those rates applied to his own personal or corporate business. That provision was contained in section 317, I believe, of the old Railway Act. The provisions appearing in the new bill, defining the powers and duties of the new Canadian Transport Commission, are such that an individual shipper will have to prove, before his case can be valid, that the discriminatory rates he is charged, if you want to call them that, affect the public interest. I hope this will not be the case, because, surely, some small corporation or individual should not have to go before the transport commission and prove that the public interest is being damaged because of a rate being charged to him. Yet that is what the new act seems to provide.

The long standing tradition to which I have referred is something that shippers have valued and used for many, many years; namely the privilege of being able to go before the Board of Transport Commissioners and prove that there was discrimination against them in relation to other shippers of a similar kind, with the result that a railway company could be ordered to change its rates and remove the discrimination. That sort of thing appears to have gone, as I read this bill.

Talking in the same vein, in the bill before us there is no definition of the words "public interest". During the course of his political career I know the minister has probably used the words "public interest" thousands of times. I have used them, and I expect every hon. member of the house has used them. But what do they mean, so far as railway rates are concerned? They are not defined in the bill. Do they mean that an individual shipper who ships, say, for 500 miles or for smaller distances from his point of origin must prove that something affecting him has to do with the public interest, affecting the people from Bonavista to Vancouver Island? That is an unreasonable condition. The reason I raise the point now is that we are discussing the principle of a new railway act. That long standing tradition that a shipper might apply to the board, pleading discrimination so far as rates are concerned, has not been incorporated in this bill. I hope the minister will correct this deficiency, and perhaps something can be done by way of suggestion or amendment in committee which the minister will be prepared to accept.

[Mr. Olson.]

• (5:10 p.m.)

I am not going to speak more about the transport commission, except to say I think there is some value in co-ordinating supervision over all the modes of transportation that come under federal jurisdiction, so that there will not be a withdrawal of vital services by one mode, and then by another, leaving communities without adequate service by any mode.

The bill also makes provision to deal with commodity pipe lines. As the minister said, this is something we shall probably have to be concerned with in the future. It is not a major problem at the moment. It is not even a major factor in our economic structure at the moment, but it is probably good to consider it and have something in the statute so that we may have a starting point when problems arise.

Another part of the bill deals with motor transport. It constitutes a very timid move, and this is probably good because for the most part the provincial governments are responsible for motor transport. After all, provincial governments have built most, in fact almost all of the highways, and therefore moving into this field timidly and gently is probably a good thing.

Another provision allows for transfer of responsibility for bridges from the Board of Transport Commissioners to the Department of Public Works. I do not think it is of any particular concern which department handles them, so long as it looks after the public interest.

So far as railway rationalization is concerned, I was pleased to hear the Minister of Transport say that at the outset they are going to establish a minimum grid system of railways in the prairies. The provincial government of Alberta, which has the same political affiliation as my party in the house, has been asking for this for a long time. At this point I do not know whether the grid

system to be established will be completely satisfactory to everyone involved. As the minister said, most likely it will not, but at least a start will be made on it.

Before dealing with the rate making provisions, which are probably the most important part of the bill, I wish to deal with the principle which claims that the transport commission ought to have greater power to direct and control all modes of transport, so that over-all transport policy is directed by the commission.

In my opinion it is a fallacy to argue that an appointed board, no matter how competent the appointees may be, is in a better position to direct all transportation policy for Canada than a number of individual groups and companies who are trying to move goods, people and commodities in Canada at the lowest possible cost, in order to do well by their companies. I do not buy the argument that it is better for an over-all authority to give directives and have complete control. Experience has shown that this has not proven to be the case in other areas. Of course, because of the nature of our geography, there are cases of monopolies, and in that instance there is justification for some government control.

The possibility, indeed the probability of change in rate making envisaged by the bill is the most important feature of it. At the outset in discussing this particular subject I want to say that all this talk about freedom to make rates, to lift ceilings, and to give the railroads freedom to make the kind of money that they need to operate and pay wages to their employees, and so on, is a farce. I say that, because on less than 5 per cent of the total commodities and goods now being shipped is the ceiling rate charged.

The railways have argued that until the government frees them from freight controls, permitting them to operate competitively, their hands are tied. Only this summer in the prairie provinces there has been a general increase of 3 per cent on most goods rates, and they are still not up to the ceiling. Therefore I think we should dispel the fallacy that the railways hands are tied.

The other night the president of the Canadian Pacific Railway said on television that this bill does not give the railways anything that they did not have before, so far as money and earnings are concerned. I have to agree that it does not, except that there are certain provisions in the bill to allow the rate ceiling to be lifted. Even now the railways have plenty of room to raise rates to the ceiling. It is not a valid argument that parliament has held down and controlled rates up until now. But where the railways have no competition, no effective competition, in some cases their rates are already raised to the permissible ceiling. However, I think it can also be shown that where they are charging the maximum they are also getting the costs, plus—and in some cases unreasonable rates over costs. This is one of the things about which we are very concerned.

I would ask the minister to get for us from the railways some of their costs of moving commodities, so that we can calculate what the rates would be if, under certain clauses of this bill, the costs plus formula is going to be used. I have reason to believe that it will be somewhat difficult to get this information from the railway companies, but it is absolutely essential that we get it in order that we can make our own calculations.

It would be absolutely hopeless to try to understand the principle of this rate making formula unless we have the basis from which it is going to start. So far we do not have it. I would hope the minister would stand up in the house, stiffen his back, throw out his chest and say: We will get those costs. He should not say: We will try to get those costs, but rather that he is going to get them, so that we can do our own calculations.

• (5:20 p.m.)

I should like to know, for example, how much it would cost to ship a 30,000 or 100,000 pound carload of fertilizer from Medicine Hat to Vancouver and from Calgary to Winnipeg. I should like to know how much it would cost to move a 70,000 or 100,000 car of potash from a certain point to Vancouver and how much it would cost to move a 100,000 pound or 70,000 pound car of steel to Edmonton. I should like to know how much it would cost to move steel, fertilizer, sulphur, or farm machinery and so on, 500 miles. We need to know these things.

The other night when I asked this question, because I made the mistake of trying to relate it to a captive shipper the minister asked me what I called a captive shipper. A captive shipper is defined in the act, of course, in words to the effect that it is where there is no alternative, effective and competitive service. With regard to farm machinery, for example, I suppose it is possible for motor transport to move a piece of farm machinery from Hamilton to Calgary. Does that remove

it from coming under the definition of "captive shipper", because it is physically possible in some cases to ship in this manner

Mr. Pickersgill: May I ask the hon. gentleman a question. The definition I do not think says "physically possible or theoretically possible", does it?

Mr. Olson: No; it does not say "physically or theoretically possible"; it says "alternative, effective and competitive."

Mr. Pickersgill: Exactly.

Mr. Olson: We have been faced with the argument that while there is an alternative mode, perhaps it is only carrying 5 per cent. That is very practical proof that there is 90 or 95 per cent being carried by rail, despite the fact that it is possible, and so on, for it to be delivered. I still think that falls almost in the category of a captive shipment; yet it might be a little difficult to prove by the wording that is there.

In any event what I am asking is that we get the costs in respect of certain commodities, because at the present time we do not know these costs. When you look at the formula which was advanced in the old bill, although this formula has been changed a little in the new bill, I think you will find that it is essentially the same. For the purposes of this bill it is the Canadian Pacific Railway with which we are concerned in the matter of costs, because this is the standard which is going to be used, and it will apply to the other railway companies. They are not going to use the costs of the Canadian National Railways.

In the bill it states that the cost used will be cost plus on the basis of the C.P.R. costs. At the present time these are not made available. Therefore, we find we have to use some of the costs which are published in the United States. The Interstate Commerce Commission publishes these costs in respect of some commodities. In the bill the basis which is spelled out is that which is related to a 30,000 pound car, and then you establish a cost plus from that basis. Yet, we know very well that some of these same things move in 120,000 and 140,000 pound cars and that the railways, under this bill, could charge as much as 800 per cent over cost. We know that the average size of car which is being used is not a 30,000 pound car. It seems to me it is ridiculous to base it on a completely unrealistic size of load. If the cost plus is 150 per cent and you base it on a 30,000 pound car, you get the cost of moving a 30,000 pound car, but if you move four times that much weight in a car with a similar additional cost, then you get these enormous increases in cost.

Mr. Speaker, we again urge that the Minister of Transport and the government reconsider this basis for calculating the costs, because it seems to me the most realistic thing to do would be to base it on the actual cost in categories of perhaps from 30,000 pounds to 40,000, and another above 50,000 pounds, and then another above 80,000 pounds and so on, rather than base it on the cost of moving a 30,000 pound car.

Well, Mr. Speaker, at the moment our hands are tied. We hope we can obtain this information in committee. We do not yet have the information we need in order to do the necessary calculations so that we can find out what this will amount to when it is reduced to dollars and cents. There are other differences in rates which are completely incomprehensible and which do not seem to be provided in the bill. Why, for example, does it cost more to ship from Vancouver to Toronto than it does to ship from Toronto to Vancouver when moving exactly the same thing the same distance and in the same car. We do not understand why there is not a provision that once a rate is established for a certain commodity and a certain route it would apply both ways.

The bill does not seem to make provision for correcting these things. I should like to say, Mr. Speaker, that there are some improvements in our whole national transportation policy as a result of this bill. We hope the bill can get to the standing committee on transport and communications as soon as possible, because I think there would be some futility in having a protracted debate in the House of Commons until the minister and his officials are prepared to give us additional information, so that we know what all these words mean. We wish to know in dollars and cents what some of these things will amount to when the calculations are made.

So, Mr. Speaker, I will close now in the hope that this bill will go to the committee. However, before I conclude I should like to suggest to the minister, and to the house particularly, because I know the minister does not have full control of this matter, that while we have perhaps a little more urgent responsibility and a little more pressure upon us, because of things that happened this week and last week, to get a new railway act, that

we do not try to rush it through the committee. We would hope that it would get the attention and study which it deserves.

• (5:30 p.m.)

I think it is fair to suggest that it is necessary for all interested parties to have at least a three week period to consider this bill and present a report. It is a long and complex subject. Hon. members should have an opportunity to study it and then collect their thoughts. I know there will be a great deal of pressure to get the committee started. I hope the pressure will not be such that we cannot give this bill the consideration it deserves.

In closing let me make one other point, and I may say that I hesitate to refer to this at this time. I am haunted by a suspicion that this dispute between the railway companies and the railway unions was partly prompted—and that is perhaps a harsh word—by the railway companies in order to put pressure on parliament to pass this bill. During the eight months prior to December, 1965, and even before that, until the strike took place there was really no serious attempt made by the railway companies to negotiate with the unions. The companies made no reasonable offer at all, nor was any indication of any offer made public.

I do not like this kind of pressure put on members of parliament as a result of power politics, if that is what happened, to force us into passing rapidly this new railway act. As I said, I have been haunted by the suspicion that that is what happened, because during the past few months there have been indications that a strike was imminent. Everyone apparently knew that a strike would take place; yet during that time the railway companies claimed their hands were tied until the government passed legislation necessary to allow them to increase revenues in order to meet the union demands. The companies complained about competition and the inability to compete, using this as a reason for not being able to meet demands for higher wages. If competition has prevented them from making bigger profits in order to pay higher wages, that is one thing; but the companies should not blame the government or parliament for not moving to free them from an unfair position.

I do not intend to say anything more at the moment. I am sure we will have a very useful and constructive discussion at committee meetings. We in this party have a number of suggestions to make and I hope the minister will accept them as constructive suggestions which may improve the ways and means of giving effect to a good national transportation policy, which we agree must be established at this time.

Mr. Bernard Pilon (Chambly-Rouville): I move that the debate be now adjourned.

The Acting Speaker (Mr. Rinfret): It has been moved that the debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

Mr. Pickersgill: Mr. Speaker, perhaps my parliamentary secretary may be given leave to explain an arrangement that has been made for officials to meet on Tuesday before the opening of the house in order to answer any questions about this bill which hon. members may wish to pose.

Mr. J. A. Byrne (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, arrangements have been made for a briefing session, referred to by the minister, on Bill No. C-231, to be held in the Senate railway committee room, 356-S on Tuesday, September 6 at 12.30 p.m. Sandwiches and coffee will be served, but I do not wish hon. members to consider that to be an inducement to attend. A memo will be sent out to all hon. members to this effect.

Mr. McIlraith: Mr. Speaker, I move the adjournment of the house.

Motion agreed to and the house adjourned at 5.39 p.m.

HOUSE OF COMMONS

Tuesday, September 6, 1966

The house met at 2.30 p.m.

[*Translation*]

NATURAL GAS

TABLING OF PRESS RELEASE RESPECTING PIPE LINE THROUGH U.S.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, last Thursday the Prime Minister promised to table the press release dealing with the rejection by the government of a pipe line project submitted by the Trans-Canada Pipelines Limited. I am now tabling two copies in French and in English.

[*English*]

Mr. Speaker: Order, please. I understand the minister is attempting to table this document on motions. Does the minister have leave to revert to motions for the purpose of tabling the document to which he has referred?

Some hon. Members: Agreed.

NATIONAL DEFENCE

REQUEST FOR COMMITTEE CONSIDERATION OF UNIFICATION PROGRAM

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Will the minister consider putting a motion on the order paper to reassemble the defence committee of this house with instructions to examine the state of affairs within the national defence department, and with permission to call witnesses including various senior officers who are bringing public attention to the fact that the minister's program of unification will be damaging to Canada's defence forces? I refer particularly to the public interest shown by Generals Simonds and Vokes and Admirals Brock and Landymore, is well as others who are finding fault with this program. I think the public interest requires that something be done in this regard.

Mr. Speaker: Order, please. Will the hon. member please pose his question.

Mr. Churchill: Will the minister take that action?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker. I do not think it would be desirable or in the public interest to do that at the present time. If hon. gentlemen will re-read the evidence given to the committee earlier this session I am sure they will come to the conclusion that the program is moving ahead very well, that it is accomplishing the goals that have been set out, and that it is really worthy of the support of members on all sides of the house.

It is very gratifying now to see a greater interest being taken in these matters than was the case at the time the committee met earlier this year. So it is my hope that when the legislation is presented to amend the National Defence Act, which I hope will be soon during the course of the current session, and is referred to the committee, there will be real public interest in the discussion that takes place at that time and a searching examination of all the various points of view.

Mr. Churchill: A supplementary question, Mr. Speaker. May I ask the Minister of National Defence to do here in the House of Commons that which he has not yet done, namely, state what he means by unification of the forces. It was not disclosed in the report of the committee.

An hon. Member: Order paper.

Mr. Hellyer: I will be pleased to give my hon. friend definitions of each step at the time the legislation is being considered.

Mr. Churchill: I want you to give it now.

Mr. Diefenbaker: And unification has been proceeding all this time without legislation.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question for the Minister of National Defence. I should like to ask him whether the statement attributed to General Allard, calling upon the people of Canada to support integration, was made with his knowledge and consent.

Mr. Hellyer: No, Mr. Speaker, I did not see the speech before it was made, but I have

complete confidence in the chief of defence staff and I am sure that whatever he said would be in order.

Mr. Brewin: A further supplementary question, Mr. Speaker. Is there some different rule, then, in regard to the chief of staff than applied to Admiral Landymore, who was condemned by the minister for making a speech on this subject while he was still a serving officer?

Mr. Hellyer: Yes, Mr. Speaker. The chief of defence staff decides who under his control may make public statements in respect of defence matters.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Does the minister say that he approves of the views expressed by General Allard regarding unification and that such expression of views is in keeping with the rule which the minister himself dealt with some months ago, namely that serving officers should not be giving opinions on controversial matters? Has that been changed, too? Has Mr. Lee given his approval to change?

Some hon. Members: Oh, oh.

Mr. Hellyer: Mr. Speaker, I resent the implication by my right hon. friend—

Some hon. Members: Oh, oh.

Mr. Hellyer: —and I think it is quite uncalled for from a parliamentarian of his standing. The chief of defence staff made a speech on his own responsibility, and he has the prerogative under the standing orders to do that.

An hon. Member: Oh, no, he hasn't.

Mr. Hellyer: I have complete confidence in him and in his staff, and I resent any reflection cast upon the chief of defence staff by my right hon. friend.

Mr. Diefenbaker: Smoke screens like that do not help the minister.

Some hon. Members: Order.

Mr. Diefenbaker: I ask the minister this. Is it proper for any chief of defence staff or any other high ranking officer to express in public opinions on subjects that are controversial, that the minister has not brought before parliament, and with which parliament has had no opportunity of dealing?

Mr. Hellyer: I cannot think of anyone better qualified to speak on this subject than the chief of defence staff.

[Mr. Hellyer.]

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): I should like to return to the Minister of National Defence and ask the minister if he feels he is justified in proceeding with his program without having legislation before the house.

Mr. Hellyer: Mr. Speaker, any of the actions that have been taken so far and all the actions contemplated in the immediate future are authorized by the National Defence Act as passed by parliament.

Mr. Diefenbaker: Not at all.

Mr. J. M. Forrestall (Halifax): I have a further supplementary question for the Minister of National Defence. I wonder if the minister would advise the house whether it is true that all he needs by way of legislation to bring about total integration of our armed forces is an amendment to the act changing the name?

Mr. Speaker: Order. This question is not in order.

Mr. Forrestall: I am wondering what the law is.

Mr. Speaker: This is exactly why the hon. member cannot ask the question. He cannot ask what the law is.

Mr. Diefenbaker: I direct a question to the Acting Prime Minister, the source of all dependable information on occasion. Did the Acting Prime Minister receive a telegram from the tri-service identities organization requesting that parliament not recess without an opportunity being provided for full deliberation and consideration of the defence situation, and that before any definitive legislation is introduced for further reorganization a full and searching inquiry should be undertaken? Was such a telegram received? Will th Acting Prime Minister give an assurance to the house that before we leave now, not months hence but before this present portion of the session ends, this house will have an opportunity of dealing with the haphazard and excessive actions of the Minister of National Defence—

Mr. Speaker: Order, please. The right hon. Leader of the Opposition knows very well that he cannot qualify his question in the way he has done.

Mr. Diefenbaker: I withdraw the qualifications, Mr. Speaker. I ask, will the Acting Prime Minister give such an assurance, that

we may know in the next few days just where Canadian defence is going, and that parliament will have an opportunity to give this matter consideration?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker, I I have received a telegram from Mr. Hilborn. I propose to reply by telling Mr. Hilborn that the Minister of National Defence will be introducing legislation at this session to amend the National Defence Act and that this legislation will be referred to the committee on defence, where a full and searching examination can take place. In giving that reply I hope I have not destroyed the reputation for dependability which my right hon. friend was kind enough to attribute to me.

Mr. Diefenbaker: Mr. Speaker, I can only say to the hon. gentleman that he has not added to that reputation. I would ask the Acting Prime Minister whether, before we adjourn following discussion of the subject of inflation, this house is going to have the opportunity of dealing with this matter so the Canadian people can find out what is the situation and ascertain the true facts in connection therewith.

Mr. Martin (Essex East): Mr. Speaker, I think my reply was as comprehensive as it could be at this moment. We will have to see what progress is made. When the legislation is introduced the Minister of National Defence does intend to see that the legislation is referred to committee, and it is clear that he is very anxious to have the most searching examination made of a policy which I think increasingly seems to commend itself to many people.

Mr. Diefenbaker: Is he going to amend another brief?

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the Minister of National Defence which is supplementary to an earlier question. Did I understand him correctly when he seemed to imply that evidence was given before the defence committee which would lead the committee to suggest that unification of the armed forces might be beneficial? I specifically say "unification"; I am not referring now to integration.

Mr. Hellyer: No, Mr. Speaker. Although there may have been suggestions to that effect, I think what was shown to the satisfaction of most members of the committee was that the integration process has proceeded satisfactorily, that it is a good program, and that it is in fact a good foundation upon which to build a unified defence force for Canada.

Mr. MacLean (Queens): A supplementary question, Mr. Speaker. I disagree with the conclusion of the minister that unification—

Mr. Speaker: Order, please. I invite the hon. member to ask his question.

Mr. MacLean (Queens): I will proceed now with my supplementary question and ask the minister if he could tell the house what General Allard meant when he said, "We realize what people are saying. We will go through with the program. It will make all Canadians proud of the Canadian forces." Is this meant to imply that Canadians have not been proud of the forces in the past?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is not proper. I do not think it is proper to ask what was meant by another's speech, or in a speech made outside this house by another person.

Mr. Churchill: I rise on a point of order. May I draw the attention of the house to the fact that on August 30 I asked the Minister of National Defence who was responsible and in charge in his department. He replied, and I quote from page 7797 of *Hansard*:

> I have to accept the responsibility for all the actions that were taken.

His chief of staff is now speaking on his behalf as a propaganda agent for unification, and the minister should take the responsibility.

Mr. Speaker: Order, please. That is not a point of order. I have to so rule. I do not think the minister should reply to the question, because what the hon. member for Queens asked was what did it mean when this person made such and such a statement. Certainly that is not a proper question.

Mr. Hellyer: On a question of privilege; I cannot allow my hon. and gallant friend to make a statement like that, reflecting, as it does on a gallant and dedicated officer of the Canadian armed forces in a way that I feel is quite uncalled for. I hope the hon. member will withdraw his statement.

Mr. Churchill: On a point of privilege, Mr. Speaker, I thank the minister very much for talking about gallant officers. I know the

service of General Allard, and I hope he knows mine. But if the minister is going to be responsible for things that take place in his department he must be responsible for statements made by the chief of staff, and his point of privilege is not well taken.

Mr. Speaker: Order, please. I suggest there is no question of privilege, just as there was no point of order.

[*Later:*]

Mr. Forrestall: One further question to the Minister of National Defence. I would ask him whether during his forthcoming trip to the maritime command area, particularly to Halifax, Greenwood, Summerside and other points directly concerned, he intends to make opportunities available to all the men to express frankly their views on unification.

Mr. Hellyer: Plans are being made which will permit a very large cross-section of the men and officers of all ranks to express their views freely.

Mr. Diefenbaker: The minister spoke of plans. Will he tell us what those plans are which will secure the opinions of the men and women serving in the ranks?

Mr. Hellyer: The plan which the hon. gentleman was just talking about was for me to go and talk to them, and that is what I intend to do in two or three weeks.

Mr. Diefenbaker: Does the minister now say that his august presence among members of the armed forces will take the place of information of a dependable character?

Mr. Hellyer: On the contrary. It will be that.

LABOUR RELATIONS

KINGSTON, ONT.—CROSSING OF PICKET LINES BY ARMED FORCES MEMBERS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Defence, of which I sent notice this morning. In view of the urgency of the situation and the importance of maintaining good public relations between the armed services and civilians, will the minister ask the commander at training command at Westwin, Manitoba, to use all legitimate influence to stop NCO's at Kingston moonlighting by driving cabs through the legal picket lines of some 800 employees at Millhaven Fibres in the Kingston area?

[Mr. Churchill.]

Hon. Paul Hellyer (Minister of National Defence): I should like to take that question as notice, and hope to be able to give an answer tomorrow.

REPORTED CONTINUATION OF PICKETING AT RAILWAY YARDS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to address my question to the Acting Prime Minister or the Minister of Transport. In view of the goings-on that were manifested yesterday in some of the railway yards across the country by railroad workers, are any measures being taken to protect those who want to go back to work against those who are still doing some picketing at the main gates of different terminals? Are any security measures being taken to protect these workers?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the return to work has been proceeding at a very satisfactory pace. There has practically been a return to normalcy, which I am sure is a fact that will be received with great gratification by the house generally.

Mr. Langlois (Mégantic): A supplementary question, Mr. Speaker. May I ask the minister especially about the situation that exists in respect of those who have taken spare time jobs and are not in a rush to go back to work. Will any legal measures be taken against those still picketing and causing a little bit of difficulty for the good natured or good hearted ones going back to work?

Mr. Martin (Essex East): Mr. Speaker, I am sure my hon. friend recognizes that parliament has taken a decision. I hope he would agree that the reply I have already made is the kind of reply that is more conducive to a satisfactory disposition of this matter than anything that might be regarded as provocative.

WATER RESOURCES

UNITED STATES CONFERENCE ON WATER FOR PEACE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): I wish to direct my question to the minister of national resources. In the light of the fixing of May 23 as the date for the opening of the international conference on water for peace at Washington, is the minister now prepared to formulate and state the Canadian government's position on water policy; and in particular

will he say that the government will not enter into a discussion of sharing water on a continental basis at least until the national policy has been stated, debated and settled?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I apologize, Mr. Speaker, for not responding immediately to the hon. member's question, but I am not used yet to being addressed as the minister of national resources. My title has not been changed officially and I am still referred to as the Minister of Mines and Technical Surveys.

I will answer the hon. member's question by saying that we have been informed that the United States government plans to issue invitations to all governments with which it maintains diplomatic relations and to international organizations concerned with water questions. The government, however, has not as yet had the time and opportunity to explore fully the implications of this important initiative on the part of the United States. Considerable concern is felt, however, that such a conference, if it is to succeed, should engage the efforts of other countries not only in its execution but also in its planning. Indeed, the period of time envisaged by the United States for this important preparatory work is not very long if the conference is to be held in May of 1967.

The Canadian government will of course give careful and sympathetic consideration to the United States invitation when it is received. However, the invitation not having been received as yet it would not be proper for me to comment further on the announcement.

In answer to the second part of the hon. member's question let me say we are doing everything possible to develop a Canadian water policy. In Winnipeg recently my hon. friend and I had a very interesting public discussion on that subject. The press was pleased to report that we were very much in agreement on this matter.

Mr. Fulton: I have a supplementary question, Mr. Speaker. I should like the minister to make a statement now clarifying the government's position so as to give him a basis upon which to make a stand.

Mr. Speaker: Order, please. The hon. member's second question is argumentative. I suggest to him that his request to the minister should be made on motions if it is to be considered by the minister.

Mr. Fulton: Mr. Speaker, I was really asking whether the minister will answer the second part of my question, namely, will the government make it clear that it will not enter into a discussion on the sharing of waters on a continental basis until a national policy has been stated, debated and settled?

Mr. Pepin: That is the general position I took in Winnipeg, at which time the hon. member seemed to agree with it.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question, Mr. Speaker. Will the minister assure this house in a few brief words that the government of Canada will not undermine the desire of the Canadian people to protect their water resources?

Mr. Pepin: Quite right.

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a further supplementary question. In view of President Johnson's recent statement that war or pure water appeared to be the world's choice, does the government consider this philosophy of water or war has any application to Canada?

Mr. Speaker: Order, please. I do not believe this is a question that can be asked at this time.

CANADIAN CENTENNIAL

PROPOSED VISIT TO CANADA BY THE QUEEN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is for the Secretary of State for External Affairs in his capacity as Acting Prime Minister. In view of the apparent announcement from London that the Queen has accepted an invitation to be present in Canada during the centennial celebrations next year, I wonder if the minister has any statement for the House of Commons on this very important matter.

Hon. Paul Martin (Acting Prime Minister): Yes, Mr. Speaker, but I think it will perhaps be later in the week.

BUSINESS OF THE HOUSE

REQUEST FOR DEBATE ON ECONOMIC CONDITIONS

On the orders of the day:

Hon. George Hees (Northumberland): I should like to ask the Minister of Finance if

he is in a position now to advise the house what day this week he expects to introduce the debate on the economic situation existing in the country today.

Hon. Mitchell Sharp (Minister of Finance): It is my understanding, Mr. Speaker, that this is the next order of business before the house. The sooner the house disposes of the transportation bill, the sooner I will be able to do that. I think it is the right order of business.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

QUEBEC—REPLIES FROM PREMIER RESPECTING FEDERAL LEGISLATION

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs in his capacity as Acting Prime Minister.

Would the minister tell the house if the federal government has heard from the premier of Quebec about the federal legislation on various constitutional matters, in reply to letters from the Prime Minister?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I am not sure whether or not we did get replies. I will inquire and I might be able to give an answer tomorrow or Thursday.

[*English*]

HIGHWAY SAFETY

REQUEST FOR LEGISLATION RESPECTING SAFETY FEATURES ON AUTOMOBILES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the senseless and record slaughter on our highways this last Labour day week end, and in view of the fact that President Johnson has put or is about to put his signature of approval on a highway and automobile safety bill recently passed through the congress of the United States, I would now ask the Minister of Industry whether the government is considering similar federal legislation in Canada to provide for the protection of the Canadian people?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, it is recognized that the United States has passed a bill in relation to safety features on motor cars. I am glad to say that it appears, partly indeed as a consequence of the automotive agreement with the United States, that those features on cars for sale in the United States will also be available on cars for sale in Canada.

Mr. Raymond Langlois (Mégantic): A supplementary question which might be considered complementary. Once the government has brought in this legislation to provide for safer cars in Canada, will the minister also bring in a bill to provide for safer drivers in the country?

Mr. Drury: Mr. Speaker, I think my hon. friend will agree with me that legislation respecting driving habits is a provincial, not a federal, responsibility.

Mr. Langlois (Mégantic): I know that; it is the individual's responsibility, too.

[*Later:*]

Mr. W. M. Howe (Wellington-Huron): I have a question for the Minister of Industry supplementary to the one asked earlier by the hon. member for Brome-Missisquoi. The minister indicated that the safety features which are to become compulsory in the United States will be available in Canada. Does this mean they are to be standard equipment on all Canadian cars, or will the consumer be required to pay extra for these particular devices which are to be available in the United States?

Mr. Drury: I merely said that the safety items which will be available on cars manufactured in the United States will also be available on Canadian manufactured cars.

Mr. Grafftey: A supplementary question. I do not mean this to be argumentative in any way, but in so far as the United States legislation affects both imported and second hand cars does the minister not feel that specific Canadian legislation in the automobile safety field is now required?

Mr. Drury: In relation to second hand cars, the hon. member is now suggesting, if I understood his question correctly, that a government program for the modification of existing cars be instituted. I do not think he really intends to suggest this. As to imported cars, I would point out that the vast bulk of the cars entering Canada enter from the United States.

AGRICULTURE

REQUEST FOR EARLIER APPLICATION OF FIXED VALUE FOR DUTY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Agriculture. I apologize for not giving him notice, but it might be some antidote for him to know that his activities to date have received very favourable comment in the agricultural press of British Columbia.

Now for my question. In view of the fact that I am informed that potato growers in British Columbia suffered some loss because of the failure of the government to apply the fixed value for duty earlier on certain products, would the minister inform the house if it is possible for officials of his department to keep a record of and close watch on the maturity of crops in the United States and in Canada, so this duty can be applied when required, to protect Canadian producers?

Mr. Speaker: Order, please. I suggest to the hon. member that that is not a question to be asked at this time. The hon. member is making a suggestion for the consideration of the minister, which I assume will be taken into account.

CONFERENCE WITH PROVINCIAL MINISTERS RESPECTING DAIRY POLICY

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): I wish to direct this question to the Minister of Agriculture. In view of the critical economic situation of the dairy farmers, especially in the provinces of Ontario and Quebec, can the minister tell the house if he has as yet had an opportunity either to meet or to set a date for a conference with the ministers of agriculture of these two provinces in regard to this most complex and important matter?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I agree that the problems of the dairy farmers, as well as those of other farmers in the country, should be subject to continuing review, and that we need to have continuing policies to improve their lot. Our present policy, which has raised the price of manufacturing milk from a national average of $2.76, which it was when we came to office, to $4 is a responsible step in this direction. To try to make it work more effectively I have arranged a meeting open to farm organizations, with the provincial ministers for this coming Friday.

AIR TRANSPORT

INQUIRY AS TO BOARD HEARINGS ON REGIONAL POLICY

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of Transport. Can the minister inform the house whether, notwithstanding the fact that we have major transportation legislation before us at the moment, it is still the intention of the government to proceed with hearings on regional air policy in western Canada? Could the minister further inform the house when those hearings will take place?

Hon. J. W. Pickersgill (Minister of Transport): I am not quite sure of the precise dates on which the hearings with respect to the application of TransAir to be relieved of the requirement to fly certain lines in the prairies are to be held. I think it is in October some time, but I shall inquire and inform the hon. gentleman as soon as possible. There is no question but that these hearings should be held, and they will be held.

Mr. Dinsdale: A supplementary question, Mr. Speaker. I take it that the date has not been decided upon?

Mr. Pickersgill: I think it probably has been, but I do not carry it in my head.

IMMIGRATION

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I have a question for the Minister of Citizenship and Immigration, of which I have not given him notice. On July 8 the minister announced that a white paper on immigration, proposing changes in the regulations, would soon be tabled or be made available. Could he now say how soon that will be?

Hon. Jean Marchand (Minister of Citizenship and Immigration): I think, Mr. Speaker, that I mentioned the white paper would be tabled in the very first days of the resumed session in October. That could mean the first, or second, or fifth or sixth day. I do not know the exact date, but I can assure the hon. member that it will be tabled soon because it is almost ready.

Inquiries of the Ministry

[*Translation*]

REPORTED STATEMENT RESPECTING CANADIAN OFFICES IN FRANCE

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wished to direct a question to the Minister of Citizenship and Immigration (Mr. Marchand), but he has just left the house. I will therefore direct my question to the Acting Prime Minister (Mr. Martin).

Last night, on the television program "Aujourd'hui", the Minister of Citizenship and Immigration pointed out the differences between our immigration offices in England and in France, saying that our organization is perfect in England, while it is not in France.

Is the government taking steps in order that our immigration offices in France—there are three at the present time—may be improved and others may be established to interest French people in emigrating to Canada?

Hon. Paul Martin (Acting Prime Minister): I beg your pardon; I thought that question was directed to the Minister of Citizenship and Immigration, but I think the answer is in the affirmative.

[*English*]

UNITED NATIONS

REPORTED INTENTION OF SECRETARY GENERAL TO RELINQUISH OFFICE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Having in mind today's reports from the United Nations that U Thant is being urged to reconsider his decision and to stand again for the position of secretary general, can the minister say what is Canada's position in regard to this move?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the right hon. Leader of the Opposition intimated that he was going to ask a question along this line. I might say in reply that Canada has stated, as I mentioned last week, that it would wish to see the secretary general continue in that post. We have reaffirmed this desire since I replied to the question of the hon. member for Red Deer a few days ago.

The security council was to meet this week for the purpose of considering this matter. Wisely, I think, it has decided not to meet. I sincerely hope it will be possible for the secretary general to accept the strong urgings of so many nations in the world that he continue in this important assignment.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. I will say immediately that we wholeheartedly concur in the stand the minister has taken in this connection. Is it a fact that all the members of the United Nations are of the opinion that U Thant, because of the superlative capacity for leadership he has shown as secretary general, should continue; and that opinion having been conveyed to him, has he given any indication that he might reconsider his stand and accept an appointment, if not for the five year term for a two year term, in the interests not only of himself but of the world, for the preservation of peace?

Mr. Martin (Essex East): I know of no nation that is opposed to U Thant continuing in office. He has not, however, given any indication as to whether he would accept a draft. Proposals have been made that he should be offered a five year term, a three year term and a two year term. There has been no decision taken on that question by the members of the United Nations nor, as I say, was there any indication by U Thant of an intention to reconsider his decision, as he said last week that he was not going to be a candidate.

PUBLIC SERVICE

REPORTED DISSATISFACTION RESPECTING RECLASSIFICATION

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): My question, Mr. Speaker, is for the Secretary of State. Is the minister aware of the widespread dissatisfaction among members of the civil service because of the circumstance under which some have been advised of reclassification and have received adjustment cheques, while others working in the same offices have heard nothing? What is being done to rectify this situation?

Hon. Judy V. LaMarsh (Secretary of State): I thank my hon. friend for giving me notice of this question. I have looked into the matter he has raised. We at once referred it to the Civil Service Commission, which advised me that it did not know of any such situation as the hon. member refers to, since each department is sending out certificates on its own. It may be that there is a shortage in some

departments. The Civil Service Commission has advised me that it will look into the matter and report back, and I will advise my hon. friend immediately.

Mr. Chatterton: A supplementary question, Mr. Speaker. Does the minister mean to say that the Civil Service Commission is not aware of the fact that this situation was caused by a shortage of the conversion certificates, form 245?

Miss LaMarsh: That is correct. This is so because each department is handling the certificates itself.

WATER RESOURCES

BRITISH COLUMBIA—DOWNSTREAM BENEFITS FROM ADDITIONAL STORAGE ON KOOTENAY LAKE

On the orders of the day:

Hon. Paul Martin (Acting Prime Minister): I should like to take this opportunity to answer a question directed to me the other day by the hon. member for Kootenay West having to do with the application by Cominco Limited to store an additional two feet of water in Kootenay lake under certain conditions set out in the order of agreement.

In answer to this question I would say that the governments of Canada, United States and British Columbia, subject to appropriate conditions, have registered no objection to the approval of the application. The question of upstream and downstream benefits was discussed during the hearings. Prior to the hearings, as the hon. gentleman knows, this was the subject of an intensive study by the government. In stating the conclusions reached as a result of this study, the representative of Canada said at the hearings that it was fully recognized that the granting of the Cominco application would produce substantial benefits both to Canada and United States on a basis which would do full justice to the interests of the two countries.

The government of Canada placed great weight on the fact that the period involved was only one year, and that renewal for any additional period would require an entirely new application to be made.

Mr. H. W. Herridge (Kootenay West): I thank the minister for his answer. Should there be a renewal of this application, would the government of Canada then consider insisting on receiving downstream benefits?

NATURAL GAS

REQUEST FOR RECONSIDERATION OF PIPE LINE DECISION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): My question will be addressed to the Acting Prime Minister. Will the cabinet be reconsidering its decision of a few days ago not to allow Trans-Canada Pipe Lines to move western gas into eastern Canada to assure its markets there? Will the hon. gentlemen be reconsidering this stand?

Hon. Paul Martin (Acting Prime Minister): The decision of the government has been announced.

Mr. Hamilton: I am afraid the Acting Prime Minister does not understand my question. I realize the government's decision has been announced. I am asking whether it is the plan of the government to reconsider its refusal.

Mr. Martin (Essex East): I do not think so.

Mr. Starr: Why not backtrack on that, too, and keep up the record?

FISHERIES

REQUEST FOR STATEMENT ON ESTABLISHMENT OF BASE LINES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question to direct either to the Secretary of State for External Affairs or to the Minister of Fisheries, preferably to the one who can give me the most illuminating answer. I should like to know when we can expect to see established the base lines from which to measure our 12 mile fishing zones.

Hon. H. J. Robichaud (Minister of Fisheries): I can assure the hon. member that my colleague the Secretary of State for External Affairs has been very active in getting the ground ready for early action to be taken in this regard.

Mr. Barnett: How much longer will we have to wait? May I ask the Minister of Fisheries whether this is the same sort of action we have experienced over the past two years?

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

The house resumed, from Friday, September 2, consideration of the motion of Mr. Pickersgill for the second reading of Bill No. C-231, do define and implement a national

transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

Mr. J. H. Horner (Acadia): Mr. Speaker, I rise to take part in this debate with some hesitation because of my limited knowledge of the complex field of railway rates and transportation policy generally.

Bill No. C-231 was presented to the house by the minister last Thursday in the course of a very light and witty speech, a speech which caused me and, I believe, many members of this house concern because we had agreed to forgo the resolution stage of the bill in order to co-operate with the government in bringing the legislation forward. Clause 1 sets out the transportation policy and the remaining clauses, which are many in number, attempt to spell out how the government intends to enunciate and carry out that policy. In some respects the bill takes the wraps off the railroads and allows them to charge whatever is feasible, whatever is economically sound or, in some cases, whatever they can get away with.

• (3:20 p.m.)

Over a number of years we have had various transportation boards. This bill sets up one huge 17-man board encompassing all others. This immediately causes me some concern because how can 17 men reach a decision any quicker than the five members of the present Board of Transport Commissioners?

In considering a transportation policy for Canada we must do so with caution because today Canada is at the crossroads in many aspects. In recent years we have seen many policies which have done good but which have divided Canada. In looking back over the transportation history of this country we must realize that it was our transportation and railroad policies which brought Canada together in the very beginning. Those policies must remain sound and must remain fair and just to all parts of Canada or they will have a diversifying effect. You, Mr. Speaker, as well as other members of the house, know that there are too many diversifying elements in Canada today. As members of this house we must ensure that this bill will do nothing to diversify Canada further but will aid in uniting the country as the railway transportation policy did in the very beginning of Canada's history.

[Mr. Barnett.]

In first looking at the bill it seems to me that it is a monstrosity. I see nothing good in it for my part of Canada. This may alarm some members. This bill has been talked about a great deal as being a vast improvement over Bill C-120 which was brought before this house in 1964. How is it an improvement. The Minister of Transport says he would like to see this bill proceeded with with all haste so that the railways might be able to compensate themselves for the minimum wage increase which this house has just assured to the workers. This again causes me some concern because I immediately ask myself, where and how do the railways hope to compensate themselves for this wage increase?

Last week we were told that the wage increase would mean something like $7 million or $8 million for every 1 per cent of increase. We know now what this will mean. With a minimum wage increase of 18 per cent the railways will have to obtain approximately $144 million to $150 million in increased revenue. Where is this going to come from? We are told that the bill will give the railroads the privilege to collect this increased amount of money, and we are told we must proceed with the bill with all haste so that the railways can then start collecting. I think that we as members of parliament owe it to the people we represent to take a very close look at the bill.

First, what does it do? It sets up a 17-man board which, to say the least, will be unwieldly at times. Then it goes on to state what the board will be engaged in. It will be engaged in inquiries; in fact, there will be a continuous inquiry into the whole transportation policy. As the minister said in his opening remarks, the inquiry need not be made public but may be kept confidential. This is stated in the explanatory note on page 26 of the bill. So we have a board to be composed of 17 men which will inquire into all aspects of transportation in Canada and will make rulings as a result of such inquiry. In the past we have had adjustments in the transportation policy which have been arrived at as a result of independent inquiries at which the public could appear. Here we have a transportation board which may in the future carry on inquiries which will be confidential, the results of which may not be made public and which may in some cases be carried out by the very people who perhaps will be trying to substantiate results they have already arrived at. This gives me some concern.

It is not necessary that the inquiries of the board which is involved here be made public, nor is it necessary that the recommendations as a result of such inquiries be made public. Certainly I can see that the recommendations resulting from an inquiry will be made public whenever the Governor in Council agrees to carry out those recommendations, but if the Governor in Council should disagree with them I can readily see that those recommendations would not be made public. The bill states that they need not be made public.

In looking at other clauses in the bill we see that various shippers may appear before the board but then the right of appeal is right back to the same board. I see it is suggested that if the chairman is involved in the initial ruling the vice chairman shall preside over the appeal. This is a situation which does not appeal to me as a shipper who might be appearing before the board in argument.

Let us take a look at how the railways will obtain the $150 million increase in revenue which we are told this bill is going to give them the right to collect. First of all we are told that the railroads have not been able to meet their costs because rates have been frozen. We have been told that all freight rates have been frozen since 1959. Actually, only all class rates and non-competitive rates have been frozen since 1959. The railroads have been able to increase their agreed charges and their competitive rates. No ruling by this House of Commons has changed this.

What do these rates account for? What percentage of railroad revenue has been derived from the various rates? Class rates account for 4.7 per cent of their revenue. These figures are taken from the Dominion Bureau of Statistics way-bill analysis for 1964. Non-competitive rates accounted for 29.6 per cent of railway revenue. Therefore while rates were frozen on something like 33 or 34 per cent of railway revenue this bill will take the off wraps in a sense and allow the railways to increase them. In other words, it might well be said that the railways are going to increase these two classes of rates by such an amount that they will be able to collect the additional $144 million to $150 million.

For those who are concerned, I might also add that the statutory rates, which are the Crowsnest pass' rates, account for 13 per cent of railway revenue, competitive rates account for 27.3 per cent and agreed charge rates account for 25.2 per cent. Mind you, there has been no freeze on competitive and agreed charge rates. They have agreed to increase these and have increased them right along. Therefore, according to the 1964 way-bill analysis the railways have increased something like 52 per cent of their revenue in any case.

The other night the minister assured me that as long as he was Minister of Transport and as long as the present Prime Minister (Mr. Pearson) was Prime Minister of this country the statutory grain rates, the Crowsnest pass rates, will not be increased and will remain the same.

• (3:30 p.m.)

Let me return to my original analysis of this situation. The increased revenue which the railways must have and which hopefully will result from the passage of this bill will be derived from the movement of goods under the class and non-competitive rates. These account for 33 per cent of their present revenue. Now we come to the crux of the problem.

Where are most commodities shipped under class and non-competitive rates? I want every member of this house to take note of this situation, particularly those members from western Canada and the maritimes because those are the areas from which this increased revenue will be derived. What did Canada's transportation policy mean to the unification of Canada? The transportation policy was the Magna Carta of the west and a basic reason for confederation in the maritimes. This policy had a great deal to do with the uniting of Canada. What does this present bill do? It puts aside those historic facts and, to use a common expression, throws the maritimes and the western part of Canada to the wolves. It does not continue to help unite Canada but rather divides Canada in no uncertain terms. It will have the same effect in some parts of northern Quebec and Ontario.

Let us consider the evidence given before the committee on railways, canals and telegraph lines in 1964 and 1965 in order to find out the extent of the movement of goods under class and non-competitive rates in various parts of Canada. The table I refer to is printed in a report of the committee for March of 1965 and is dated 1963. It was the most recent table available at that time.

Referring to page 968 of that report we find that goods from western Canada to the maritimes which moved under class and non-competitive rates accounted for 60.7 per cent of

freight between those areas. Sixty per cent of the movement of goods from western Canada to the maritimes was moved under class and non-competitive rates. This table indicates that 70 per cent of all goods moved from the maritime region to western Canada was moved under class and non-competitive rates. That figure appears at page 973 of this report.

Of all goods moved from western Canada to eastern Canada nearly 50 per cent, actually 44.4 per cent, was moved under class and non-competitive rates. Nearly half of all freight movement from western Canada to eastern Canada moved under these rates. These rates apply to all goods except grain, for example, and the wraps are to be removed to allow the railway companies to increase their revenue by x millions of dollars.

Hon. J. W. Pickersgill (Minister of Transport): Would the hon. gentleman permit a question?

Mr. Horner (Acadia): I do not wish to lose my train of thought.

Mr. Pickersgill: I hope to get the hon. gentleman's train back on the rails by asking this question. The hon. gentleman suggested that the wraps were to be removed from non-competitive and class rates. Does he not realize that the non-competitive rates are to remain under control and, if I understand what he means by "wraps", these rates are to be kept under wrap and will continue to be under control?

Mr. Horner (Acadia): I will deal with that point in a minute or two. It is interesting to note the minister's thinking in this regard.

Mr. Pickersgill: I asked a question.

Mr. Horner (Acadia): I will deal with that question before I complete my remarks. If I do not perhaps the minister will ask the question again.

Let us consider the movement of goods from the eastern region to western Canada. This table in the same report indicates that 40 per cent of all goods from eastern Canada to western Canada, including the farm machinery we buy and the automobiles purchased by every Tom, Dick and Harry in western Canada, is shipped under class and non-competitive rates. There is a heavy movement of freight from western Canada to the maritimes and the rest of Canada under non-competitive and class rates.

[Mr. Horner (Acadia).]

Let us consider the movement of freight within the maritime provinces. This same report at page 971 indicates that 55.8 per cent of the movement of all freight within the maritime provinces moved under class and non-competitive rates. That should be of particular interest to the members from the maritimes. The minimum increase in revenue of $150 million will result from the movement of freight now being moved under those rates.

Let us consider the movement of freight in the western region, in which area I have always felt there was a good network of highways. Of all freight movement in western Canada, excluding grain 22 per cent comes under class or non-competitive rates. In western Canada 39 per cent of all freight is moved under the statutory Crowsnest rate and agreed charges rates. Competitive rates apply to 38.4 per cent of all freight movement. The rates in respect of 22 per cent of all freight will be allowed to increase, those in respect of 39 per cent of all movement will remain frozen and the 38.4 per cent of freight movement under the competitive rates will remain relatively the same.

Let us deal with the non-competitive aspect mentioned by the minister when he said that non-competitive rates would remain the same.

Mr. Pickersgill: I said they would remain under control.

Mr. Horner (Acadia): I am glad the minister has corrected me. Let us see under what control these rates will remain. Non-competitive rates will apply to shippers or areas designated as captive shippers or areas. What formula will be used and where will captive areas and shippers be found? I suggest they will be found in the prairies and the maritimes, and the formula that will be used is related to 150 per cent of variable costs. What is the situation regarding areas where competition is keen? This bill states, as was stated in the previous bill, that these rates must be compensatory in relation to variable costs only. In other words, the non-competitive rate will be 50 per cent higher than the competitive rate. We in the west and the people in the maritimes—I was going to suggest the minister also but he is very rarely in the maritimes—will have to pay 50 per cent higher freight rates than people in other areas of Canada.

At page 37 this bill sets out that in not later than three years the commission shall

make a study of the Crowsnest pass rates. What will the commission attempt to determine and why is the government suggesting that a study should be made? Surely the answer to that question is that the government hopes a deficiency area can be found in order that the railways can be compensated for their losses and thereby gain increased revenue.

• (3:40 p.m.)

I look at this particular clause of the bill and consider how it will affect me or any other member of the house in running an industry when we realize that within the next three years the government is going to have the commission make a study of that industry and ascertain how large a subsidy, if any, is to be paid after the three-year period has expired. I know what I would do. I would try to minimize my efficiency in the next three years. I would try to paint a picture of dire need of a subsidy as huge as I could logically expect to be paid. This clause is suggesting to the railways that they should be inefficient for the next three years and they will be compensated forever from that time onward.

This clause should be taken out of the bill completely. It is not necessary that it be there. If the government wants to have the commission to be set up make such a study, it can have it do so, but this is what I should like to know from the minister. Does the government feel that the Crowsnest pass rates, with the volume of grain that is being moved today, was moved last year and will be moved next year and in the future, are causing the railways to lose money? If this is what the government feels, let it say so. If it believes that railways will be losing money in the next three years, then it does not have too much confidence in the world wheat situation. I should like an answer to this question.

Mr. Pickersgill: Mr. Speaker, the hon. gentleman asked me a question. Would he permit me to answer it right away?

Mr. Horner (Acadia): Yes.

Mr. Pickersgill: My answer is that Mr. MacPherson and his commission agreed with the railways that they were losing money on these rates. After full examination we are not convinced of that claim. That is why we took out of the old bill the fixed amount that was to have been paid in respect of these losses and put in instead a provision that there should be an investigation to see whether there were any losses. We decided not to assume, as was assumed in the bill drawn up by the hon. gentleman's friends, which we inherited, and in the bill we introduced—I am not blaming the hon. gentleman's friends because they followed the commission and so did we—that there was a loss. We have now decided not to make any such assumption and to have an independent inquiry to see what the truth is. That is the difference.

Mr. Horner (Acadia): Once again the minister is getting a little ahead of me. I was going to deal later with this particular aspect of the report of the MacPherson commission, but I will deal with it right now. Before doing so I want to conclude my remarks with regard to the study of the crowsnest pass rates. I believe this clause is not necessary unless the government feels that today the Crowsnest pass rates are losing money or that within three years they will be losing money and will not provide a proper return for the railways. We must remember that the MacPherson commission report was based upon export shipments of 1958. This is one of the difficulties into which governments get from time to time. They set up commissions to study various questions but before they get around to acting on their reports they are out of date. This is true particularly of the report of the MacPherson commission with regard to the Crowsnest pass rates. I believe that in 1958 an independent study arrived at a figure of a loss of $2 million under the Crowsnest pass rates. This figure was arrived at in connection with moving something like 316 million bushels of wheat for export and a total volume of wheat, including that moved within Canada, of some 450 million bushels.

What did the railways move last year and what do they propose to move this year? The figure is well up in the region of 700 million bushels or 800 million bushels and may be 900 million bushels including coarse grain within Canada. We have nearly two and a half times the volume moved in 1958. How is this volume being moved? It is being moved on the same trackage and in some cases on less trackage. The railways are moving it with modernized equipment and greatly speeded up handling facilities in some cases, although in others there is still a dire need of improved handling facilities.

Therefore, Mr. Speaker, the MacPherson commission report is outdated with respect to the Crowsnest pass rates and the movement of grain, particularly in light of the increased modernization of handling facilities today. In

fact, transportation and railway movement have undergone such a change since 1958 that we find optimism in the transportation industry rather than the pessimism that existed in that year because of the desire for wholesale rail abandonment. Today there is not the same desire. Many of those railway lines are paying and in fact I am sure the minister will agree that perhaps only a quarter of the proposed line abandonments are really necessary today in light of the movement of grain and other commodities. This only points up the changed outlook in today's railway movement and in transportation policy generally. We have the movement of potash, we have grain volume tripled, we have every commodity one could mention moving by rail and other transportation facilities in increased tonnages in comparison with the 1958 figures.

I am not going to deal with all the aspects of this bill. The whole rationalization question could be dealt with. The whole passenger question should be dealt with and perhaps will be before the passage of the bill. In summarizing what I have tried to put before the house, Mr. Speaker, I would say this. We are told by the government and the minister that the passage of this bill is important and he urges us to pass it quickly so the railways may begin increasing their revenues to offset the minimum increase in labour costs which they will have to face. I ask hon. members before they vote in favour of the bill to consider who is going to pay for it. Eighty per cent of the increased revenue will come from western Canada and the maritimes from freight movement either to or from or within those areas.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would permit me to ask him one more question? He has asserted about four times now that extra revenue is going to come from the maritimes. Would he explain how this is going to be done, when all the maritimes' rates are specifically frozen in this bill?

Mr. Horner (Acadia): Perhaps a maritimes member will deal with this matter at greater length than I, but as I read the bill the maritimes rates are frozen for two years. What happens after that?

• (3:50 p.m.)

Mr. Pickersgill: Read the bill.

Mr. Horner (Acadia): The minister says "read the bill". I think I have read it backwards and forwards. Perhaps my interest mainly lies in the increased cost to western

Canada. I do not deny this. However, I am fully convinced, and I would like to convince more hon. members, that this bill takes the wraps off the railroads by allowing them to increase class and non-competitive rates. This puts the burden mainly on those regions which were brought into consideration by a transportation policy involving subsidies. It is those areas which will be thrown to the wolves so far as increased rates are concerned. They will be paying the increased revenues to the railways when they use this legislation for this purpose.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, Bill No. C-231 now under study indicates that the government is preparing to define a general transportation policy for Canada. This new piece of legislation will be known as the National Transport Act.

Now, Mr. Speaker, if we consider the principles of the bill, we realize that its primary purposes are the abandonment of uneconomic railway lines; the abolition of subsidies to railway companies and the removal of the ceiling on freight rates so as to enable the railway companies to increase their rates in order to meet higher current expenditures.

As a matter of fact, Bill No. C-230 passed last week authorized additional expenditures of $170 million by 1967 and of $148 million every subsequent year. This means that in 1968, 1969 and in the ensuing years, the national railway companies will have to anticipate additional expenditures amounting to about $148 million per year.

Mr. Speaker, I feel that this bill, as others which we have passed in other areas, will eventually bring about an increase in the cost of living. Eliminating subsidies to the railways and giving them power to increase their freight rates will clearly bring about an increase in freight rates of 10, 15 or even 20 per cent. The companies will not be paying such amounts. The consumers will. We will be paying more for our food, clothes, rents, lumber, materials, etc. In other words, everything will go up. Prices will increase again at a time when we are considering how to fight inflation pressures in Canada.

When the government gave subsidies to the Canadian National, we felt this was nonsensical, because private enterprise such as the trucking industry, for instance, was being taxed in order to subsidize a competitor called the Canadian National. It was complete

nonsense to tax private enterprise to maintain a state enterprise; it is neither honest, equitable, or decent toward the trucking industry.

By eliminating subsidies, we are reverting to competition which, to my mind, is more equitable. This will force the railroads as I said to increase their freight rates. The result will be an increase of the cost of living.

Mr. Speaker, it is not by legislation of this nature that we are going to change the economic situation in Canada. We will be going full speed toward inflation if we pass bills of this nature. We legalize inflation by applying such legislation.

Mr. Speaker, we have been discussing for a long time here, in this chamber, all that legislation of the government seeking to give inflation a permanent hold. When we, Social Crediters, we, of the Ralliement créditiste, ask for increased income for labour, for the Canadian population as a whole, surely it is not through increased freight rates, nor through salary increases, which will have a direct impact on prices. Proof is that we are told that the 18 per cent to be granted to railway workers between now and next year will cost $160 million. The answer does not lie in the 18 per cent or 25 per cent increase, because this goes directly into product prices.

There is another way, which we suggest: It is not for the government to determine rates, no, but it is the government's responsibility to show at all times Canadian consumer requirements with regard to buying power for the purchase of products manufactured and existing in Canada. Legislation should be passed which is aimed at balancing the economic system, and not at further unbalance. We do not want an inflationary law.

When we suggest that the government should use the Bank of Canada to balance the Canadian financial system, this is completely different from what we see in Bill No. C-231, which authorizes a price increase while we propose to use new Bank of Canada credits, which do not figure in prices and which are distributed to each and every Canadian citizen. This means an increase in the income of Canadians enabling them to buy commodities made by Canadians. Seeing that prices are not affected by this additional income, it is therefore clearly anti-inflationary and "anti-deflationary" also. There would never be any danger either of deflation, where people would lack purchasing power to buy the production, or of inflation, i.e. a situation where people would have a purchasing power greater than the country's production.

The Minister of Transport (Mr. Pickersgill), the government and all the ministers are aware that our national production this year will reach some $55 billion. On the other hand, Canada's total national revenue will barely reach $42 billion.

How can $55 billion worth of national production be bought up by $42 billion? That is the actual problem; it is too often forgotten, and the government and its economists and advisers are not interested therein. Their main concern is to take away some of the purchasing power from those who do not have too much and give some to those who have even less; this is supposed to balance the economy.

The personal revenue of each individual is not a solution. It is not the Canadian millionaires who prevent the less well-to-do from making a living but the economic system. The millionaire does not eat his millions, he eats food for nourishment, wears clothes, and seldom puts on two suits at once; he wears one at a time.

The rich man also is not the one who prevents the poor man from making a living; it is the financial system which prevents each and every one from sharing in the wealth produced by the natural resources and industry in Canada.

Mr. Speaker, a bill is never introduced to balance purchasing power and national production in Canada. The bills that are introduced settle nothing, or will only help to increase the cost of living, so that the less wealthy will continue to suffer. We have seen this in the passing of Bill No. C-230 which complements or lays the foundation for Bill No. C-231. We do not give an 18 per cent salary raise because of the skill of the worker but because the cost of living has increased. The cost of living has gone up for the railway employee earning $2 an hour as well as for the employee earning $4 an hour. But the 18 per cent pay increase will give to the latter 72c over the next twelve months but only 36c to the former. So, once again, there is a difference, that is double between the salaries of the high and the low wage-earners. Again, the one getting the higher salary will be getting the larger share.

Therefore, a bill is being passed for the benefit of the high wage-earner. But, is the

pound of butter not selling at the same price for the person earning $2 an hour as for the person earning $4? If the pay increase had been set at a fixed sum for everybody across Canada, it would not have doubled the salaries, for the difference in salary between those earning $2 or $1.50 or $1.25 an hour and those earning $4.25 or $3.75 would have remained the same. Employees would have continued to be paid according to their responsibilities. But this pay increase will not be the same for all the citizens, for all the railway employees, and this applies in any field; for instance, in the mining industry.

Therefore, Mr. Speaker, I sincerely believe that this Bill No. C-231 will cause the cost of living across Canada to rise.

Some members have mentioned uneconomic lines, railway lines which the government will be abandoning soon because they are not bringing in good returns.

• (4:00 p.m.)

In this case, the service question is involved, the requirements of railroad service or services in certain areas of Canada. There are in the eastern region, in Quebec, in Ontario some unprofitable railway lines; there are some out west, among the farmers of northern Saskatchewan, for instance; there are some in Manitoba. All are nevertheless necessary to serve a part of the population. At such times the Minister of Transport (Mr. Pickersgill) as well as the Minister of Finance (Mr. Sharp) and the government consider the question of dollars and cents. To maintain a line in operation no account is taken of the service rendered to the farmer who must ship his grain, nor of the services that must be given to the passengers who may not be in sufficient numbers to make a line profitable. But there again the dollars and cents factor is being considered instead of the social angle, the sheer service angle. A service for the Canadian people.

Mr. Speaker, I feel the government should be rather concerned with the possibility of passing proper legislation which will ensure service and make financially possible what is physically feasible.

We have been saying it over and over again for a long time. I know that deep inside most members understand the logic of this solution. But we are afraid, we fear to air it, we are afraid to deal with the financial question. Everybody is being attacked; that is alright. Bills to lessen human beings, to reduce individual initiative, to reduce private enterprise, that is alright. But any legislation to bring finance face to face with the facts, to place finance at the service of such initiatives, those are things the government has no right to discuss. We speak of inflation, yes, but we blame it all on the worker, the manufacturer, the small businessman who has a hard time making ends meet under the present system. They are said to be the cause of inflation.

Mr. Speaker, did you hear the hon. Minister of Finance, or the hon. Minister of Transport, or the government, speak of the interest we pay solely on the Canadian national debt? Is this not a cause of inflation? And no one dares speak about it. Nobody mentions the fact, for instance, that a Canadian purchasing a small home, under the Central Mortgage and Housing Corporation Act, over a period of 25, 30 and even 35 years, will have paid the price of three homes, once his house is paid for, but received only one—at the end of 25 years, 30 years, he will have paid for three homes and, at that time, his home will no longer be of any value. That is inflation. And Bill No. C-231 is a step in that direction, just as all governmental organizations are.

Mr. Speaker, I do not want to take up any more of the time of the house, but I point out to you and to the hon. Minister of Transport the importance and the urgency of having a clean financial policy for Canada, taking into account realities, not obscure things. Let us be realistic and introduce legislation rendering financially possible that which is physically desirable and feasible.

Then, Mr. Speaker, we would have much less of those disastrous strikes in Canada and we would see a political, economic and social revival that would ensure to workers, farmers and everybody, economic security in individual freedom. That is what the Créditistes want for Canadians and that is what the Créditistes are asking for and demanding of the present government of Canada.

[*English*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to make a few general observations on this bill at this time. We are told that the bill aims to promote the development of a transportation policy for Canada. In that connection I should like to quote briefly from

the explanatory note accompanying the bill. It reads in part as follows:

> The purpose of this bill is to define a national transportation policy, to spell out the objectives of that policy and provide the necessary statutory provisions for the achievement of these objectives.

After reading the explanatory note we can look forward with great hope to the accomplishments that will be attained as a result of the passage of this legislation. I am quite sure we all realize that the major work in connection with this bill will be done during the study undertaken by the committee appointed to deal with the legislation, when an opportunity will be afforded to hear representations from various groups in this country.

I may say, Mr. Speaker, that we are wondering whether the new transportation commission proposal in this bill will be a repetition of 1938. In that connection I want to quote from today's *Globe and Mail* what I think is a very appropriate article. It is by Robert Rice *Globe and Mail* reporter, and reads as follows:

> • (4:10 p.m.)
>
> Will the new transport board be a repeat of 1938? "It shall be the duty of the board to perform the functions vested in the board . . . with the object of co-ordinating and harmonizing the operations of all carriers engaged in transport by railways, ships and aircraft . . . "
>
> —A clause in the 1938 act of parliament establishing the Board of Transport Commissioners to replace the Board of Railway Commissioners. "It is the duty of the commission to perform the functions vested in the commission . . . with the object of co-ordinating and harmonizing the operations of all carriers engaged in transport by railways, water, aircraft, extra-provincial motor vehicle transport and commodity pipe lines . . ."
>
> —A clause in the 1966 bill to establish the Canadian Transport Commission to replace the Board of Transport Commissioners, the Air Transport Board and the Canadian Maritime Commission.
>
> It almost seems as if history is repeating itself.
>
> Twenty eight years ago, Parliament gave the job of co-ordinating rail, ship and air transport to the Board of Transport Commissioners.
>
> Six years later, in 1944, it spun off aircraft control and turned it over to the newly formed Air Transport Board. Three years after that, it set up the Canadian Maritime Commission to keep an eye on shipping operations.
>
> And now, in 1966, it is being asked to start all over again and bring the three separate agencies together under one roof, with the added responsibility for inteprovincial trucking and commodity pipe lines.
>
> Will this new move fare better than the ill-fated effort of 1938?
>
> The answer rests with Parliament as it plunges into the intricacies of the government bill to create the Canadian Transport Commission and reform the railways.
>
> But assuming Parliament approves the bill largely in its present shape, the real answer will lie in the hands of the 17 members of the new commission.
>
> It will be up to it to achieve the co-ordination and harmony that two royal commissions, almost everyone in the transportation industry, and the present Liberal government feel are essential if Canada is to achieve an efficient, low-cost system of moving goods and people.

I think that is an historically correct assessment of the situation and of the responsibilities that will rest on the 17 commissioners who will be appointed under this legislation.

This subject has been of great concern to the Canadian people over a long period of years. I remember, Mr. Speaker, that when I was elected vice president of the British Columbia Liberal Association the Liberal party at a convention adopted two resolutions which were of particular interest to me at that time. One was to provide for the nationalization of the banks in Canada, a resolution which was adopted at that convention by a majority vote. The second resolution was to provide for a rational transportation policy for Canada.

I must say in fairness that in both these instances the late Senator McGeer was a moving spirit, and I am sure that many of us remember his fight to obtain equitable freight rates for all regions in Canada. However, this revolutionary spirit in the Liberal party soon fizzled out and nothing was done about these two very important resolutions. Consequently, some time later I resigned from the acting presidency of the B.C. Liberal Association and joined the C.C.F. party. That was part of my progressive evolution, Mr. Speaker, if I may put it that way, in political affairs.

Then in 1931 we had the Duff commission which dealt with transportation problems. Then we had the Turgeon royal commission on transportation, which was appointed in 1948 and reported on January 9, 1951. Later we had the MacPherson royal commission, appointed in 1959, and its report lay on the minister's desk for years before any action was taken.

From the formation of the C.C.F. party, and since it has become known as the New Democratic Party, it has recognized the need for a national transportaion policy. I have heard this problem discussed at our national and provincial conventions over a long period of years. Very serious consideration was given to the matter by persons with some knowledge of economics, some knowledge of

accounting and some knowledge of the requirements of the consumers whom the railways are supposed to serve.

To indicate that the government may be paying lip-service to one of our long-standing policies in the introduction of this bill, I will place on the record the program which was adopted by this party many years ago so that we will know where we stand in this respect. This is in brief the program for which we have stood for a long time. I have been a member of this house for 21 years and have heard this program placed before the house on numerous occasions when this party has urged upon the government the need for a national transportation policy. This is our program:

> Transportation is the most important public utility in Canada. In our country of vast distances and widely separated communities, economic and efficient transportation for the bulky primary products of the land, mine and forests is also a factor in linking our various economic regions into one great nation. Narrow profit considerations and lack of a comprehensive transportation policy have helped to produce a complicated and inequitable freight rate structure that has created bitter dissensions between different parts of the country.
>
> An over-all transportation policy based on broad considerations of national interest would integrate, as far as possible, rail, road, water and air services, establish non-discriminatory freight rate scales as a part of the whole transportation plan.
>
> The C.C.F. will also provide federal financial aid to the provinces for highways of national and international importance, including a trans-Canada highway system.

I cite that because here is an indication that in the introduction of this bill the government is at least paying lipservice to the policies which we have advocated throughout the years.

In my opinion the government has missed two outstanding opportunities for the development of a national transportation policy in this country. First, they missed an opportunity at the conclusion of the second world war, when the experience gained in the winning of the war and in the administration of the industries of this country could have been easily used to promote a national transportation policy. I think that the second occasion when the government lost the opportunity was at the time of the building of the trans-Canada pipe line, a time when the government actually provided loans for the building of this very profitable enterprise. I think, Mr. Speaker, that on those two occasions the government would have been well advised to advance the policy they are now advancing in this legislation.

[Mr. Herridge.]

I listened with a great deal of interest to the speech of the minister on his introduction of the bill, in which he obviously demonstrated that he had a wide knowledge of the subject and of the need for a national transportation policy. He spoke for almost two hours without a note and I though he made an excellent speech. As I say, I listened to it with great interest. I think we can say that the minister knows very well all of the aspects of the problem, but we will have to see what happens in the future to ascertain how his knowledge has been applied with respect to this legislation. When listening to the minister's remarks I could not help but think that here we have a minister who rises so quickly to a point of order in the house but takes so many years to rise to recognize the need for a national transportation policy in Canada.

• (4:20 p.m.)

I also listened with great interest to the speech made by the hon. member for Qu'Appelle (Mr. Hamilton) who indicated a wide knowledge of his subject. I thought he made a most interesting contribution to this debate. It was obvious as one listened to him that he was able to speak from a wide experience so far as western farmers and western conditions are concerned.

The leader of the New Democratic Party, a former premier of Saskatchewan, spoke with full knowledge of the question and of the attitude of western people to the abandonment of lines, passenger services in some instances, and the effect of freight rates on producers. I think it is quite safe to say that no member of this house can speak with greater understanding of this problem, and of the effect it will have on the lives of the producers and people generally in Canada, than the leader of this group. I remember quite well that he was one of the pioneers in our movement who first saw the need for a national transportation policy and urged that need at our national and provincial conventions. It is not a question of getting up here, supporting the legislation that has been brought in, saying amen, and so on. I mention these things to indicate that our movement and our leader in this house were pioneers in promoting the need for a national transportation policy and building up support in the country for that policy.

I thought the hon. member for Medicine Hat (Mr. Olson) made a very interesting contribution. He delivered one of those very

earthy speeches of his which are always closely related to the soil and the needs of those who cultivate the land, and he demonstrated that he understood the attitude of western producers and their determination to make certain that we have a transportation policy that is fair to all sections of the country.

While the debate on second reading of the bill has been interesting and informative to many of us—this is a very complicated question and I do not underestimate the difficulties at all; we realize that this is a very intricate, complicated and complex problem—I think we all realize that the real work in connection with this bill rests upon the shoulders of the committee to which the bill will be sent. The committee has a heavy task in this connection. It will have to hear representations. I urge that the committee take plenty of time to deal with this legislation and to get the opinions of those who are concerned.

In connection with the bill I want to make a few suggestions. We attended a very interesting briefing just before we came here. Questions were answered by the minister, the Minister without Portfolio, or by the deparmental officials who were present, and we were very glad to have the opportunity of hearing the answers. I was a bit concerned about the replies given to some questions, especially those having to do with rationalization. I am just wondering what will become of the railways as a result of what is known as rationalization. I wonder whether rationalization will mean that the Canadian Pacific Railway will continue to operate the Kettle Valley railroad at a considerable profit and yet refuse to grant a daily passenger service, because passenger service alone, it is considered, must make a profit. I hope rationalization will not mean that, and I trust it will not mean the abandonment of certain lines where the freight rates are bringing a nice profit to the company and where a passenger service is required but can only be operated at a loss.

That sort of thing will have to be found out when the committee meets. The committee will have to find out what various terms in the bill mean. I am hopeful that when the bill has been dealt with by the committee and returned to the house the recommendations of the committee will be such that I shall enjoy the opportunity to ride on the first passenger train to run again on the Kettle Valley railway.

Mr. Gundlock: Hear, hear.

Mr. Herridge: I see I have the support of my hon. friend from Lethbridge who is also interested in this question.

I emphasize again that one of the most profitable areas in the operations of the Canadian Pacific should not be denied passenger service simply because passenger service by itself operates at a small loss. I am looking forward to some support in this connection when the time comes to raise these matters before the committee. I am quite sure I can tell the minister that he has not heard the last of this question because our forces are being mobilized at this time in British Columbia.

May I make a few suggestions? I believe, Mr. Speaker, it is necessary that there should be further research into the requirements for freight and passenger service across Canada. When I talk of research I mean independent research. I am not talking about research carried on by the company itself but about independent research so that the facts may become known to the committee and to the public.

I suggest in that connection that we should have independent economists, independent accountants, independent engineers and all those other persons who are capable of undertaking this type of research. I am very hesitant about accepting the costs of operation placed by economists of the Canadian Pacific Railway before various organizations which have made protests about reduction or abandonment of various services. I think there must be further careful research into costs of operation and the costs of maintaining these services. The debate in this house has indicated the need.

A cost accountant can produce various results depending on how his task is undertaken and for whom. In this connection I want to quote briefly from the *Financial Post* of August 27 to indicate that this is a difficult question.

> MacMillan Bloedel Ltd. changed certain accounting methods which had the effect of increasing 1965 net profit by $3 million.
>
> In addition to these examples, some other factors may raise or lower reported earnings. The way a company reports reserves in its annual accounts may affect return on equity. Contingency reserves are frequently shown as a liability apart from shareholders' equity.
>
> Analysts often include contingency reserves in shareholders' equity when calculating ratios—whether or not the company does so.

It goes on to indicate that company accounting may be carried on in various forms to produce the result required on occasions.

I am very much of the opinion that the C.P.R., when it has been presenting its case to local authorities and groups, has been utilizing the accounting which places the company's position in the best aspect possible for the company's argument. I therefore suggest it is most important that the costs of maintaining these services be determined by independent economists, accountants and such other persons who have the necessary knowledge of railroad operations, air line operations, or sea transportation. I think that is necessary and I believe it is only fair to the Canadian people.

If this bill is finally to meet the needs of the Canadian people when it is returned to the house, the people must participate. We must seek the co-operation of all the Canadian people if this legislation is to be effective. The people must participate by making representations to the commiittee through the various organizations in Canada that represent them at this time. That is why I suggest the committee has a heavy and long task ahead of it.

Without doubt, if this bill is to be effective we must have the co-operation of provincial and municipal governments on the basis of an understanding of the problem and the legislation. Various trade unions, employees of the transportation companies, farmers, industrialists and consumers as well as many other groups will wish to advance their views before the committee. I maintain, however, that this cannot be done effectively unless the various organizations representing the public are informed of the nature of the problem. This is not easy. There will have to be serious study of the situation by those who represent these groups in our society.

• (4:30 p.m.)

I suggest, therefore, that all organizations wishing to make representations before the committee should be provided with, (1), a copy of the bill, (2), copies of the issues of *Hansard* covering the present debate, because I think the reading of *Hansard* would be of value to those who wish to make representations before the committee and, (3), copies of all other statistical information likely to assist them in arriving at a clear knowledge of the facts related to the development of a national transportation policy in Canada. It is only fair that those who intend to make representations, especially on behalf of organizations which are not directly in touch with this subject from day to day, should have such information.

[Mr Herridge.]

I should like to hear from the ministers on this point, believing as I do that if our democratic society is to function productively there needs to be a great deal of participation by the people themselves and their organizations so that the measures passed by this house are the result of a process which can actually be called co-operative democracy. I am keen on this idea because I realize more and more how easily government can draw apart from the people and fail to understand the needs or the motives of the people. On many occasions I have urged the government in power to ensure the participation of the people directly concerned with legislation which comes before us.

I say with confidence that the success of this measure is likely to depend entirely on the degree of co-operation between the federal and provincial governments and upon the co-operation and participation of all those groups in our society who are concerned with the development of a national transportation policy.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, in my opinion the bill before us is lacking in concept. I do not wish to say this in an unduly critical way but, like so many members on this side of the house, I feel the measure should have been referred to a committee at an earlier stage than is now proposed. In these circumstances we have no alternative but to vote against the bill as it now stands on second reading.

I have said that the approach taken to the subject has been incorrect. I take this position because I find that the issue is based in a large degree on past experience, and when I say "past" I mean the comparatively recent past, even four or five years ago. In this connection I shall refer later to speeches which I have made in this house as late as the present year, 1966.

I am surprised that the government and the Minister of Transport (Mr. Pickersgill) in particular have not given the whole subject of this legislation much greater consideration because in my view a great deal more consideration is required. During the present debate a number of speakers have pointed out how rapidly the situation is changing. The concept of railroading is changing almost from day to day, particularly in the area of freight rates. As an example of changing patterns I merely draw attention to the fact that the movement of wheat has practically doubled in the past four or five years from 400 million to 800 million bushels. This in itself, it seems to me,

is reason enough why all those concerned should be allowed to present their views on the subject to a committee of parliament before this bill progresses further.

In this context I have in mind particularly the representatives of the labour organizations, those who represent the provinces and the municipalities, and those corporations from one end of this country to the other which are directly affected by transport legislation. Let us not forget that this bill does not merely affect certain parts of the nation. It affects western Canada, northwestern Ontario, northern Quebec, the whole country, in fact, with the exception of a relatively small area which may be indicated by drawing a line from Montreal to Windsor. I believe that an opportunity should be given to all concerned, right down to individuals, to express their views to a committee before the bill progresses to a point at which there is no recourse. We have accepted this principle in the case of other bills.

I appeal to the minister to consider seriously whether the course I have suggested cannot be taken. As I say, I do not wish to appear unduly critical. We who sit on this side of the house do not like to be criticizing continually without offering constructive alternatives. I say that the alternative is to send this measure to the committee first, not at some later stage, so that the house in reaching its conclusions may take into consideration the opinions of the people I mentioned earlier.

I enjoyed the reference by the hon. member for Kootenay West (Mr. Herridge) to the Kettle Valley because it is very close to my own constituency. We hear a great deal about the Crowsnest pass rates. For us, of course, the Crowsnest is part of the Kettle Valley line running from Lethbridge to Nelson and through the Kettle Valley to the coast.

I have suggested that this bill is preoccupied with the conditions of the past. In my opinion it should be based on the present and it should also look forward for a few years at least. It is most disappointing. I would point out again, as I did in a speech I made in this house on February 9, that when farmers move wheat, vegetables or other crops out of their areas they spend the money they receive on other goods produced, more often than not, in Canada.

• (4:40 p.m.)

I might refer specifically to the time nearly 25 years ago when I had a heating unit put in my farmhouse in Alberta. It was ordered from Montreal, and I think I can recall the actual address. I believe it was 242 Jarvis Street. I was reminded of this the other day when an hon. member of this house crossed the floor complaining in a sense about something like this. I thought that the rest of us showed much better sense many years ago than he was showing. As a matter of fact, this was at a time when he was a very young man. I am proud of that fact and I simply present it to emphasize part of my argument.

Whenever we make a profit in western Canada the money immediately becomes available to the rest of Canada. We are proud of that. This is part of our argument; this is the reason we so often have seemed to demand a certain service. I pointed out too in the same speech that the railway service is the worst we have had in history. Many excuses were offered and there were even investigations instigated. On February 7, as a matter of fact, the Board of Transport Commissioners authorized a probe into customer service. The emphasis of the inquiry was on a move the C.P.R. had made to improve customer service in respect of box cars.

At that time I tried to point out that the service had not been improved. A probe was instigated and apparently it showed that this was not the case. On Tuesday March 1, I pointed out the same thing again. There was nothing much done about it. The minister who speaks for the Canadian Wheat Board had some statistics which showed that the quotas were higher than actually was the case. These were given to him no doubt by the railroad or by the Wheat Board, but they were not correct. A day later I again pointed out what these charges meant and what the lack of service meant. I hope the minister will consider this matter because in legislation such as this we are looking forward. If we are not looking forward more than we were four or five or 30 or 40 years ago, if we are not looking forward having in mind the facts of today, then in my opinion we are not looking forward far enough.

This may sound a little like a chronology, but on March 4 I received a letter from a prominent man in the farm union who had gone to Vancouver in an effort to see what was the matter out there. He looked into the whole problem. As we pointed out at that time, it was not wholly the fault of the railways, but we are reminded of all these things when we are faced with a bill like this.

I am reminded also of passenger service, and if time permits I should like to go into that a little as well. On March 17 the statement was made that it seemed that the C.P.R. was not concerned about our area. It seemed that there were empty box cars going by local points to Calgary and Medicine Hat when the elevator companies had local orders for delivery to Calgary and Medicine Hat mills. I think these things should be brought to the attention of the committee and through the committee to the house.

I should like to go back to March 7 and a headline which reads, "Wheat Moves At Record Clip". This was a release by the C.P.R., as a matter of fact, which appeared in the Lethbridge *Herald* of March 7. This sounded good to me. As a matter of fact I even went to the telephone and called some people at home. It said, "the wheat growers are happy now." The answer was, "what are you talking about". I looked at the headline again. I began to look into it a little deeper. I looked at the profits of the C.P.R. and began to think that "clip" meant something other than speed. When you clip horses and cows for hair and sheep for wool and you come out with a record yield on clip, you have a record take. When I looked at the take of the C.P.R. generally and particularly in our area I rather enjoyed reading this headline, "Wheat Moves At Record Clip".

I do not make any claim to understand this bill as much as I should but, generally speaking, if the bill goes through with these increases I believe that the people in my area and those of northern Ontario, Quebec and the maritimes will take a very dim view of the people who represent them in this house. I think they would take a very dim view if we stood up, said our piece and then let the bill pass without opposition before we are assured there is full realization on the part of the minister and the government that railway shipping in particular is different from what it was four or five years ago and certainly much different from what it was 30 or 40 years ago.

• (4:50 p.m.)

I pointed out before the situation in respect of wheat. Hon. members have heard this before but I want to emphasize it. There are also the potash shipments, and in farming areas an increase in the volume of shipments has been brought about by mechanization and automation on the farm the application of new farming methods such as the utilization of fertilizer and things like that. As a prime example I might mention my own farm which I have farmed for 30 years. In my area we have had a most abundant crop. I have seen many good crops. This harvest we have had a particularly good yield. It was 30 bushels more than anything I could possibly imagine as a result of my own experience. The high yield was prevalent throughout the area and related not only to grain but small crops such as peas, beans, corn, cucumbers and many others. This not only will apply to agricultural products in the west but to the production of primary products—iron ore, pulp, etc.—in the eastern areas mentioned before, Quebec and northern Ontario, as well as the hard goods manufactured and shipped from the industrial area.

There has been a tremendous increase in production throughout the country which has given a boost to the Canadian economy. When a government considers a major revision such as the one embodied in the bill now before us, one which will probably be with us for 50 or 60 years, it should keep all the factors I have mentioned in mind. The Canadian public is aware of this increase in our productivity as are the railway companies who are taking advantage of it. One need only consider the railway companies' returns, the increase in the value of their stock and their increased dividends.

Why have the minister and the government not considered fully all the factors involved? Why has this bill not been drafted in a way that would indicate that due consideration has been given to its intent? Surely it is reasonable to ask that we be given an opportunity to hear from witnesses who have something to say about transportation in Canada before this house deals with a measure of this magnitude. I realize that not every member is interested in this type of thing, and that is only human nature. Some of us are interested in the operations of railways, some of us are interested in the price of bread, butter, eggs and fish, while others are interested in the Canadian economy generally. I urge the minister and the members of this house to consider this bill in the proper light. I appreciate the time I have been allowed to speak in this house and I hope the minister will consider some of the matters I have raised.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, it is a pleasure for me to make a

few comments on Bill No. C-231 which is intituled:

An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to enact other consequential provisions.

By this bill the federal government seeks to set up a Canadian transport commission and to provide for all modes of transport which come under federal jurisdiction such as railways, trucks engaged in extra-provincial activities, aircraft, coastal and inland vessels and pipe-lines.

Mr. Speaker, there has been a terrific expansion of transportation in the past ten years or so. As far as shipping is concerned, the St. Lawrence seaway has enabled Canada to make great progress in the fields of transport and trade by waterways.

Air transport has been characterized by the same dynamism in the last six years since another carrier, Canadian Pacific Airlines, is now in operation besides Air Canada. Other routes have been inaugurated which make Canada justly proud of the air services it provides for its citizens and foreigners.

In addition, over the past ten years there has been obvious and noticeable progress in transportation, especially in motor vehicle transport. That advance, that progress is due to the Trans-Canada highway which now links Canada from coast-to-coast and which allows for the efficient and speedy transport of passengers and freight by road.

• (5:00 p.m.)

Ten years ago highway transportation between or within the provinces was faced with many problems.

Finally, we note that during that decade, the railways, which were up against a keener competition from increased water air and highway transportation, have nevertheless continued to develop thanks to the many subsidies granted by the federal government, and the yearly subsidies they have received, especially since 1960. This brief review shows that water, air and highway transportation have made inroads upon the monopoly of transport held almost exclusively by the Canadian railways a dozen years ago.

Of course, this bill is very important and it was actually time it was introduced in this house, since a royal commission had made very worthwhile recommendations and suggestions many years ago. I am speaking of the MacPherson commission.

Of course, some reforms are called for and co-ordination and standardization regulations should be encouraged with regard to those four means of transportation, not to mention the field of pipeline transportation.

But, Mr. Speaker, if some reforms and standardization are advisable, this does not mean that everything must be changed overnight and that the useful contribution to the country of certain means of transportation, such as trucking, should not be retained. In all fairness to thousands of Canadians and several areas of the country, the characteristics of some areas must also be taken into account. The assistance which must be continued must promote the economic development of those particular areas. When I speak of areas, I think above all of the western provinces and the maritimes. We must continue to give assistance, not token assistance, or on a ridiculously low scale, but substantial assistance, because if we consider here in parliament an economically strong Canada, on the road to progress, not only as a whole, but in all its important parts—and the ten provinces are important economically—the federal government cannot afford, whatever the legislation, to pass drastic and expeditious measures which would put some areas of Canada at a disadvantage.

And when I hear the fears expressed by hon. members from the maritimes and western Canada, I congratulate them for taking a stand and warning the government, and the officials who will see to the administration of the new transport board of Canada, against proceeding too quickly in the administrative field with regard to unification and co-ordination. We will have to try to avoid serious discrimination, so that Canadians from coast to coast will not see in the field of transportation discrimination from one area to another or from one transportation system to another but will feel that throughout the country, whether they live in the west, in central Canada, in the maritimes or elsewhere, the laws of the central government do not discriminate against any Canadian because he lives in one province rather than in another.

Some recommendations of the MacPherson commission apply to uneconomic railway lines. For instance, in the notes which have been sent to us by the officials of the Minister of Transport (Mr. Pickersgill), it is indicated that the commission recommends that the railways should not be asked to

subsidize their uneconomic services through their economic ones, that the freight services should not subsidize the passenger services. The commission also mentions that the railways must, in the public interest, operate uneconomic services; that is when the commission recommends that the costs be borne by the public treasury. Also, with regard to transportation by rail, the MacPherson commission mentions the Crowsnest pass rates and the rates applicable to export grain. It is understood that those rates must be maintained and that the losses suffered by the railways, if any, must equally be borne by the public treasury.

In the recommendations of the said commission, mention is made of special assistance to the Atlantic provinces, of the principle of special assistance to the Atlantic provinces which should be maintained and of a special study to be made so as to determine whether the principle could not be more efficiently implemented by other means.

Evidently, such Canadian transport commission must meet all the complex problems of Canada and that is why at this stage, I do not intend to say any more on the various viewpoints we could bring up on this bill. We know the legislation will be referred to a parliamentary committee; we trust, Mr. Speaker, that interested individuals will be called before the committee and that it will even be authorized to travel so as to observe the material, economic and equitable conditions of various methods of transportation in the various areas of the country.

To-day, I should like to state two points of view lingering in my mind with some concern. Involved is highway transport which the national commission would take over. My second remark, which I shall revert to in closing, bears on the future attitude of the railways toward highway transport.

Will the railways, like the C.N.R. for instance, be in a position to continue to intervene, by all kinds of direct and indirect means, with highway transport and compete with it in an underhanded way, particularly in relation to trucking?

When speaking of transport, Mr. Speaker, we refer, evidently, from the constitutional standpoint, to the British North America Act, especially to subsection 10 section 92 which stipulates the constitutional authority in the field of transport. Obviously, section 92 does not give in detail the modern means of transport because in 1867, there was no trucking, no automobile transport, and the various aspects of transport could not be mentioned. That subsection 10 of section 92 reads as follows:

Local Works and Undertakings other than such as are of the following Classes:

Evidently, section 92, subsection 10, gives exclusive authority on local works and undertakings other than those mentioned in (a), (b), (c).

This means that (a), (b) and (c) come under federal authority. Those exceptions in subsection 10 of section 92 are indicated as follows:

Lines of Steam and other Ships, Railways, Canals, Telegraphs, and other Works and Undertakings connecting the Province with any other or others of the Provinces, or extending beyond the Limits of the Province.

Consequently, when the federal government and the minister introduce a piece of legislation, concerning, for instance, interprovincial, international or extra-provincial highway transport, the minister is in a very good constitutional position, since according to the letter and the spirit of the constitution, authority is conferred on the central government in the field of interprovincial transport. This was confirmed by the Privy Council in London in a decision rendered on February 22, 1954, in the Winner case.

May I be allowed, Mr. Speaker, to read the main paragraphs of that Privy Council's decision which enable us to reconsider together the position and the constitutional decisions rendered in the field of interprovincial transport.

[*English*]

The power of a province to control its own roads does not entitle it to interfere with connecting undertakings that fall within section 92(10)(a) of the British North America Act or impair Dominion jurisdiction in relation thereto. Legislation of a province which denies the use of provincial roads to such an undertaking or sterilizes the undertaking itself is an interference with exclusive Dominion authority. Whatever provisions or regulations a province may prescribe with regard to its roads, it must not prevent or restrict interprovincial traffic. It may, of course, prescribe traffic regulations but its legislation must be confined to such matters.

• (5:10 p.m.)

It is not desirable nor is it possible to define precisely the limits within which use of provincial highways may be regulated. Nor need the court be concerned with the question whether a province was entitled to plough up its roads and so make interprovincial connections impossible. So isolationist a policy was unthinkable. The roads existed here and in fact formed a connection with other provinces and with another country. It is immaterial

that the Dominion has not legislated in relation to a connecting undertaking. A province is precluded in any event from interfering with it.

Provincial legislation is ultra vires where it prohibits the operator of a particular connecting undertaking, namely an international and interprovincial bus line, from using provincial highways except as a means of passage from another country to another province, as where it purports to prohibit it from bringing passengers into the province or carrying passengers outside the province or between points within the province. Such legislation cannot be justified as traffic regulation.

Where an undertaking is in pith and substance interprovincial, and in its operations embraces, in the same way, both interprovincial and intraprovincial journeys, it is wrong to say that its intraprovincial operations are incidental and hence subject to provincial control. If the undertaking is in fact one and indivisible, then merely because it might have been operated differently by limiting its activities to activities within or without the province, does not make it any less an interconnecting undertaking. Hence, its intraprovincial operations cannot be severed for the purpose of committing them to provincial legislative jurisdiction.

Of course, a carrier who is substantially an internal carrier cannot put himself outside of provincial jurisdiction by starting his activities a few miles over the border. Such a subterfuge will not avail.

Quaere, whether the operator of the connecting bus line in this case could initiate a purely provincial bus service even though it was under the aegis of and managed by his present organization!

[*Translation*]

Those are very important and relevant provisions which, in my humble opinion, should be put on record for further reference during this debate or even during the discussions to be held or the studies to be made by the parliamentary committee.

As I was saying earlier, under the constitution, the minister and the federal government are empowered to act with regard to interprovincial, extra-provincial or international transport.

But it has happened, and this fact should be taken into account here in Ottawa, that for almost a century all legislation and even regulations in the field of interprovincial transport have been left to the provinces.

Indeed, the legislation recognizing this practice is included in the federal statutes themselves. With regard to these precedents, I should particularly like to point out to this house the federal legislation concerning extra-provincial transportation by motor vehicle, which is included in the Revised Statutes of Canada, chapter 59. This legislation was passed on June 26, 1954, therefore following the judgment given in February 1954 in a case heard by the Privy Council which recognized the constitutional authority of the central government. Here, however, in practice the central government of Canada referred the problem of interprovincial transport to the provinces, probably because transportation of that sort was not very important ten years ago on account of the lack of organization in the interprovincial system and because the Trans-Canada highway had not yet been built.

Now, this has always been done and is still being done, and that federal act of June 26, 1954, admitted it in its terms and provisions.

I want to remind the house in particular of subsection 2 of section 3:

The provincial transport board in each province can, at its discretion, deliver to a person a licence to operate an extra-provincial enterprise by entering the province or passing through it under the same conditions and in the same way as if the extra-provincial enterprise operated there was a local enterprise.

And also in section 4 of that same bill:

4. When, in a province, the tariffs and rates to be set by a local carrier for local transport are determined or regulated by the provincial transport board, the tariffs and rates to be set by a federal carrier for extra-provincial transport in that province can, at the discretion of the provincial transport board, be determined and regulated by the provincial transport board in the same way and under the same conditions as if extra-provincial transport in that province were local transport.

Therefore, the texts of that act clearly show that the federal government has until today delegated to the province the power to legislate and regulate in the field of trucking.

And now, in the present bill setting up that federal transport commission, the federal government wants to recover its authority on interprovincial trucking and its administration as well.

The Department of Transport created in 1964, when considering that matter, a group of officials to study trucking in particular. It would seem that the federal government decided also to intervene in the field of trucking for three main reasons. Since 1954, interprovincial trucking has greatly increased thanks to the construction of the Trans-Canada highway, so that it has become truly competitive with regard to the railways. Trucking is becoming some kind of economic and commercial giant in the field of interprovincial transport, and there is no doubt it can harm the railways which are facing

some difficulties. The railways and interprovincial trucking come into conflict quite often with regard to the delivery of permits and the initiative which should or should not be left to the railways to add to their services a trucking service to round out their obligations. In fact, it seems that the railways must use trailers or trucking systems to compete with the private trucking industry.

The Department of Transport also seems to think that it is a good thing to have the trucking industry and the other means of transport come under the same commission, because the MacPherson commission, which studied all those complicated problems, recommended it and, in the areas where competition between the various systems of transportation is particularly keen, it would be better that only one act, one set of rules apply to all transportation systems in Canada.

Finally, according to this study committee and certain declarations which were made previously by the hon. Minister of Transport, and the hon. Minister without Portfolio (Mr. Turner), who is with the Department of Transport, it appears that this would enable the central government to fulfil its obligations, as he says, to control economic development in Canada from sea to sea.

If the federal government is considering taking over highway transport, I believe this would be doing a certain injustice particularly toward the Canadian Trucking Association and the private truckers, and also toward the Quebec Trucking Association, Incorporated. Because, in hard times, say for the past ten years, while they extended further within the provinces, from one province to the other. Does the member for Levis (Mr. Guay) have some comments to make from his seat?

Mr. Guay: Indeed, his speech is so instructive at present. We shall see later.

• (5:20 p.m.)

Mr. Allard: Of course, the hon. member for Levis gives the impression in this house of coming here more often than not just to wear out the seat of his pants. It is unfortunate, Mr. Speaker, that in this house, while we are seriously debating so important a piece of legislation, presented by the hon. minister, there should be members, that I shall call parasites who, instead of listening in silence in the house—and if someone has a speech or comment to make, we will be happy to listen to him—

[Mr. Allard.]

Mr. Speaker: Order. Would the hon. member resume consideration of the legislation presently before the house?

Mr. Guay: He has nothing to say on this bill.

Mr. Allard: I accept your invitation with pleasure, Mr. Speaker, but I would also appreciate it very much if you pointed out to the member who keeps interrupting at untimely moments, the standing orders of the house according to which he must remain silent and let speak those who are seriously interested in legislation here in Ottawa.

Perhaps we may have the pleasure of hearing his comments, after my speech. We do not very often have the chance, in the house, to hear the hon. member for Levis seriously discuss important Quebec or Canadian issues.

Mr. Speaker: Order.

Mr. Guay: Mr. Speaker, on a question of privilege. Contrary to the impression that the hon. member for Sherbrooke (Mr. Allard) is giving, namely that I very seldom make a speech in the house, I am taking part in the debates of the house as actively as himself, and when I have a speech to make I will try to make it intelligently.

Some hon. Members: Hear, hear.

Mr. Allard: Mr. Speaker, it is unfortunate that, in the house, there are members wasting their time—

Mr. Speaker: Order.

Mr. Allard: —and who are applauded by their colleagues for such nonsense.

Mr. Speaker: Order, please. I think the hon. member could now forget the intervention just made by certain members and revert to the more serious business of the bill before the house.

Mr. Allard: Mr. Speaker, I accept both your ruling and your invitation and I will go on with my remarks, while I wait for any light coming from the hon. member for Lévis.

By placing interprovincial trucking under its own jurisdiction, the federal government is obviously hurting directly the interprovincial trucking industry. As a matter of fact, representatives of this industry, that is the Canadian Trucking Association and the Quebec Trucking Association, have already made representations to the government and to the minister in this regard.

Now, over those ten years, while highways within the province as well as the Trans-Canada highway were being constructed, carriers and road transport companies across the country have developed a trucking industry which is strongly competing with other means of transportation. They have shown a lot of aggressiveness and co-ordination in their efforts, in their activities, and have helped the country and the province of Quebec considerably, as far as the Quebec Trucking Association is concerned.

To-day, of course, those associations fear that by placing the road transport industry under the sole jurisdiction of the federal government the national transportation commission will be used as a means to permit the railways to carry on a competition which is becoming very difficult to meet. While the truckers and those involved in those companies succeed in spite of many difficulties in operating at a profit, they have to withstand the competition of the C.N. which operates with a deficit, of course, and which must deal with unprofitable services and with some branch lines, a situation which will apparently be corrected under the present legislation.

I should like to call the minister's attention to a paragraph of the Canadian Trucking Association brief on this subject. On page 3 of the brief presented, in January 1966, we read the following:

In the field of transportation, unrestricted competition will only bring back monopoly conditions. This should not blind us to the danger of excessive regulations or poor regulations. The standard is simply this: Are the regulations contributing to maintain transport services and continued competition?

At the present time, jurisdiction over trucking operations is split between the federal and provincial governments. Under current federal legislation, extra-provincial regulation policies are implemented by provincial boards completely without any co-ordination or even uniformity whatever between them.

Very little satisfaction is obtained from such a system by extra-provincial trucking contractors.

The present system under which extra-provincial truck transport is ruled by a certain number of individual regulatory boards, each operating under a different code and under provincial regulations is utterly impractical. The fact that they achieve a certain degree of effectiveness is a tribute to the common sense and intelligence of the members of the provincial boards. But to be practical—

And the brief continues with this conclusion:

What we need is uniform and co-ordinated regulations.

An hon. Member: Be practical. Read further on.

Mr. Allard: Do you want me to read seven or eight paragraphs more and waste the time of the house?

An hon. Member: It would not be any more boring.

Mr. Allard:

But any realist person here knows that it is possible to establish a set of rules to be more or less strictly applied. The essential point is to know whether the contradictions inherent in the system are likely to produce unfavourable results in the long run. To what extent may we rely on the individual capacity of provincial boards to overcome the fundamental weaknesses of the Motor Vehicle Transport Act? The very fact that the present system was set up to operate up to some degree since 1954 is all to the credit of our provincial regulating boards. After all, with regard to extra-provincial transport, they were instructed by parliament to regulate on extra-provincial trucking in the same way—and these are the exact words: "in the same way as for local trucking." Ten conflicting extra-provincial control systems have thus been set up. What we need are standard and co-ordinated regulations administered by the provincial boards, but under a new federal legislation.

The Canadian trucking industry feels it is possible, by taking regional problems into account, while preserving the role of provincial boards. But considering the national role of extra-provincial trucking companies, we also believe that when provincial boards are jointly interested in extra-provincial regulations, the federal legislation should group them together as a single board.

It should be pointed out that in its recommendation, the Canadian Trucking Association Inc. suggests standard and co-ordinated regulations administered by the provincial boards rather than by a single Canadian Transport Commission.

That is the whole difference, and that is the reason why, Mr. Speaker, I wish to call the attention of the hon. minister to this point of view of the Canadian Truckers Association. On page 1 of the memorandum which was distributed to hon. members of this house, by the hon. Minister of Transport, on the introduction of Bill No. C-231 we find the following:

Provision is also made for federal licensing and economic regulation of extra-provincial commodity pipelines and extra-provincial motor vehicle transport.

Licensing and economic supervision of these activities will be carried out by the new Commission as they may become necessary in the public interest.

The provisions with regard to these two modes of transportation will not come into force automatically, but will be proclaimed only when it is necessary to apply them and after consultation with the provincial authorities in the case of interprovincial highway traffic.

The greatest care is taken to avoid any interference with the jurisdiction of provincial legislatures respecting operations wholly within the boundaries of the several provinces.

These statements, which are clear enough, complete the text of Bill No. C-231 on the matter. However, as the trucking associations seem to suggest, the system could very well work if this licensing and this economic regulation were to operate according to the spirit embodied in this bill, but precedents were created that have become so powerful in this particular segment of interprovincial highway traffic that the administrative aspect or the constitutional aspect of this legislation is now being considered, and this sudden change is liable, according to the associations concerned, to create displeasure or frictions, even as regards the provincial governments. How will the provincial governments react to this recovery, by the federal government, of some authority in the field of interprovincial highway traffic?

• (5:30 p.m.)

[*English*]

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would permit me to ask him a question? I wonder whether he noticed that in the observations I made the other evening I said that while we were asking parliament in this bill, if the bill passes, to give the Canadian Transport Commission the authority to exercise jurisdiction over extraprovincial road traffic there was no intention of embarking upon this field immediately or quickly or without the fullest and most complete consultation with the provinces.

I think the hon. gentleman said "subitement", suggesting that we were suddenly going to do something. There is no intention of doing anything suddenly or without full consultation with the provinces, because I do not believe it would be possible to make the bill effective unless we were to do so. I should like the hon. gentleman to know that I agree with what he says on that point.

[*Translation*]

Mr. Allard: I wish to thank the minister for his explanation and for the assurance that the federal government does not intend to do that immediately, and that when it is done, there will be consultations with the provinces.

Well, I am now asking you this question: why have not the provinces been consulted before drafting of this bill, and before it was introduced in the house? There are not—

[*English*]

Mr. Pickersgill: Mr. Speaker, perhaps on that point the hon. gentleman, who has been very courteous, would allow me to make another intervention to say that the Prime Minister, some time before this bill was introduced, wrote to the premiers of all provinces acquainting them with what we were proposing to do, asking for their views, seeking to arrange for consultations and assuring them that we had no intention of upsetting any existing arrangements in any sudden or precipitate manner.

[*Translation*]

Mr. Allard: This type of consultation is very commendable, and I hope it will be maintained in every area. What we would like to know, when the minister rises, is whether any provinces, when answering, have protested in any way or expressed some concern? I would be particularly interested to know if the government of the province of Quebec has, when answering, merely acquiesced wholeheartedly to the establishment of a Canadian transport commission which would include interprovincial road transport, and to the fact that the commission would make rules and regulations and also grant licences?

[*English*]

Mr. Deputy Speaker: Order. I must advise the hon. member for Sherbrooke that the time allotted to him has expired.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a few remarks to make on this bill. In the period of time I shall be speaking I do not intend to go into all of the minute details because I hope and take it that when the time comes the bill will go to the committee. I will be sitting as a member on that committee and this will give me and other members a full opportunity to study this quite weighty bill, a most important one for all of Canada.

First of all I want to refer to Part I of the bill. In this regard I noted the remarks of the minister in the house on the matter of a national transport board. The last report of the Maritime Transportation Commission, volume 6, No. 4, referred to two speeches, one made by the minister on April 27 of this year in which he flew a few kites, and one by the Minister without Portfolio (Mr. Turner), who I believe was speaking in Montreal.

The Minister without Portfolio stated that the new board would be in a better position

to perform the administrative functions which parliament may authorize in regard to licensing, tariffs and economic regulation of transportation. I do not intend to go into what the minister said, but the bill certainly bears quite a resemblance to what he stated at that time, at least so far as some of its phrasing is concerned.

In speaking in the house the Minister of Transport (Mr. Pickersgill) put forward the possibility that a national transport board would perhaps coin for itself the appellation of "bureaucratic monster". I do not know about that but I believe that the hon. member for Sherbrooke (Mr. Allard), who has just spoken, referred to the Canadian Trucking Association who view it as a "bureaucratic colossus". I do not know whether that is the case, but in the minister's speech which opened debate on this bill he suggested that this was certainly not the intention of the legislation.

Some doubts are cast in this regard by the Maritime Transportation Commission and perhaps I might put them on the record at this time.

The idea of the establishment of a national transportation body is not new. The commission points out that the MacPherson royal commission in its 1961 report recommended the creation of a non-regulatory national transportation advisory council, a purely advisory council, not a regulatory one.

• (5:40 p.m.)

In the words of the MacPherson Royal Commission the council would be freed of regulatory responsibility, would be able to judge and assess the impact and effect of the decisions of all transport regulatory agencies and would be empowered to confer and consult with all interested parties and all levels of government. This advisory council would then recommend broad policies through the Minister of Transport.

I have already referred to the view of the truckers' association. The Maritime Transportation Commission says that obviously there is a need for some co-ordination in transportation policy in Canada and quotes the MacPherson commission report as follows:

> —there exists nowhere below the cabinet level in Canada any organization or advisory body sufficiently broadly based to undertake the task of continually developing goals for national transportation policy or a broad outline of measures to achieve them.

I hope the Minister of Transport was correct in what he said regarding this board. The Maritime Transportation Commission went on to say:

> Such a non-regulatory advisory council as recommended by the royal commission would in this commission's view meet an existing need and should perform a valuable service. The replacing of the existing regulatory boards by a super regulatory board, on the other hand, would appear to achieve nothing useful.

We shall have to wait and see, Mr. Speaker, whether this statement is correct. I hope this board will not be another bureaucratic colossus, as it has been referred to. I thought I ought to put that on the record. We hope that this board will not be another bureaucratic body. We hope that the minister's contention is correct and that what he has stated will be carried out.

Second, I wish to deal with another matter arising from the minister's remarks and which is contained in the bill. I refer to the Maritime Freight Rates Act. In the few minutes I have at my disposal perhaps I might refer to that act. As hon. members probably know, the act was passed in 1927 and provides a 20 per cent subsidy on all rail movements within the maritime region, which extends as far west as Levis and Diamond in the province of Quebec. Also, the original 20 per cent subsidy has been increased to 30 per cent on rail traffic—it does not apply to import traffic—moving from the maritime region to other parts of Canada on the portion of the rail rate earned east of Levis and Diamond. The act was passed in 1927 as a result of the Royal Commission on Maritime Claims and was intended to restore in a broad measure maritime rail rates to the position they held in relation to other Canadian rail rates prior to 1912. This was to continue into perpetuity.

What has happened is that this has not taken place. With the advent of competition by trucks, with the increase in rail rates and with trucking competition in other parts of Canada, the effect has been to distort the position in the maritimes. This has meant that the Maritime Freight Rates Act in its present form has been unable to maintain the relationship between Atlantic province rates and rates outside the region. This has taken place despite the fact that there has been an increase in subsidy under the Maritime Freight Rates Act.

The present legislation calls for a two-year freeze on maritime freight rates under the act. The only difficulty in my mind stems

from reading subsection 2 of new section 335 which provides:

> Subsection (1) shall be in force during the two years after the coming into force of subsection (1) and expires at the end of that period.

The only question in my mind is what happens after that two-year period? What happens after the study is completed? I wonder whether the government, after receiving the independent report by the Acres Company and another company which will take two years to prepare, will be able to give any guarantees? Is there any guarantee in this present bill, which says that parliament can then look at this matter, or will it mean that after the report is brought in the government of the day can then bring forward a policy which will be discriminatory and detrimental to the Atlantic provinces regardless of the Maritime Freight Rates Act? That bothers me.

After this bill is studied, brought back to the house and then becomes law, will it mean that the government of the day can go ahead and do that when the two years have expired? The bill does not say anything about the study. We know why the two-year freeze has been put on. Can the government then go ahead and decide to make all rates, including those in the maritime Atlantic provinces, compensatory? I suggest there should be some guarantee in the legislation that this will not be the case and that all interested parties, including members of parliament, will have an opportunity of being heard on the subject, perhaps by the matter being referred back to parliament, before any regulations or orders are put forward.

The matter was dealt with briefly in a recent editorial in the Saint John *Telegraph-Journal* of August 31 which had this to say:

> A national transport regulatory agency can be a good thing—if it doesn't set up a stifling red-tape bureaucracy.

The editorial then refers to the Maritime Freight Rates Act and then continues:

> In the simplest terms, the Maritime Freight Rates Act was intended to let this region's manufacturers compete at less transportation disadvantage in the Quebec and Ontario markets. It never produced the expected benefits entirely, and in recent years across-the-board freight rate increases have watered down its effect even further; nor has this area benefited from the intense rail-highway competition that has kept hauling costs down in more industrialized areas.

It then says:

> But the new bill at least sets out to maintain such M.F.R.A. benefits as exist and a two-year freeze on maximum freight rates in the Atlantic region is apparently designed to postpone final decision until the current regional transportation study . . . is completed.

It goes on to say:

> A national transportation policy based solely on "compensatory" freight rates (i.e., keeping only profitable lines operating) could do immense harm to the maritimes. So far, Ottawa seems to be keeping this in mind. It will be up to the Atlantic provinces to be sure their interests are protected as parliament legislates in this crucial field.

I would hope that, as has been stated in oher legislation, more than a moral guarantee will be given to the Atlantic provinces. We would like something in writing, in black and white, rather than an oral agreement because, as suggested by an hon. member from Toronto, who quoted the late Silby Barrett, "an oral agreement is not worth the paper it is written on." There should be a change in the bill. I hope the Minister of Transport will consider this.

May I suggest with regard to this legislation that, even after the present study is made of the transport problems of the Atlantic provinces, a question similar to that which I asked one of the officials in committee, with respect to the Maritime Transportation Commission be kept in mind. At that time Bill C-120 was before us and I asked the official of the M.T.C. if he would like to view it, and at the same time to understand just what had occurred in the country, before making his final submission so far as the Atlantic provinces were concerned.

• (5:50 p.m.)

I think this bill, or whatever is finally brought forward, should be the subject of a full study by those who come from Atlantic provinces so that they may be able to find out how their region is affected before any final legislation is enacted for our area. I heard the minister say that all interested parties will have an opportunity to express their views. I take it this will include the Maritime Transportation Commission and other organizations of that nature. As I say, I hope to have the opportunity to sit on the committee and go further into a matter which is so vital to our area, since transportation, Mr. Speaker, is the lifeline of the Atlantic provinces.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, if the leader of the house or his representative do not wish to suggest a supper break I will carry on. I am afraid this is what I shall have to do.

Mr. Pickersgill: It seems there are a number of hon. members who wish to speak and I think we should make use of the time allotted under the rules and go right ahead.

Mr. Winkler: But I thought the original idea came from the Minister of Transport himself. Was there not some sort of agreement? I have no objection.

Mr. Pickersgill: The Minister of Transport would benefit by having no dinner.

Mr. Winkler: So would the Conservative whip. But what about other people?

Mr. Prittie: I am unlike the Minister of Transport in that connection. Often, Mr. Speaker, I hear it said that politics should be kept out of our discussions of transportation problems. There was, I believe, a suggestion to this effect in the *Globe and Mail,* from which newspaper the minister quoted in his speech. This, it seems to me, is a totally unrealistic approach, an approach based on a lack of understanding of the processes we use in this country and in this house.

I was interested in one sentence in that particular *Globe* editorial which posed the following question:

> —or every time an unprofitable line is to be abandoned or an unreasonably low freight rate is to be raised, will the politicians leap to defend the local or group interest, forgetting the national interest?

I think the answer to that question is, yes. This is not to say there are not many subjects with which members of the House of Commons can deal in national terms, not merely in local terms. But it seems to me that the railways and freight rates are not among those subjects.

I suggest also that if members of parliament, particularly opposition members, did not express critical views of interest to their constituents they would be condemned by those same sources for merely acquiescing in everything the government tried to suggest. Incidentally, it seems to me that the railway bill with which we dealt last week was greatly improved as a result of the activities of opposition members.

The minister told us that Bill No. C-120, dealing with the same subject, was introduced in 1964 but did not pass. In the event, he told us, this was probably a good thing.

We have heard a good deal in Canada in recent years about minority government, whether it is good or bad, and I suppose one's views on this depend upon where one sits. If in 1964 the government of the day had possessed a majority, that bill would undoubtedly have gone through the house and become law. Yet the minister has admitted today that it was a poor bill in many respects and tells us we have a better bill before us today.

Many organizations in Canada made representations before the railway committee at that time, and the objects of some of their submissions have been incorporated in the present bill. It seems to me this ought to become a regular process, that the reputation of a government should not be at stake when a bill is first presented and that a certain amount of time should elapse in the course of which those of the public who are interested could express their views. When this had been done parliament could get down to the real work of legislation.

Compared with the bill presented in 1964 the measure now before us is greatly changed. The preamble begins with the words:

> It is hereby declared that an economic and efficient transportation system making the best use of all available modes of transportation at the lowest total cost is essential to the economic well-being and growth of Canada;—

It then goes on to suggest means by which this objective can best be achieved.

It seems to me that a coherent national transportation policy could be more easily attained if both our major railway lines were under a single ownership and authority. We are dealing in fantasy if we imagine we can have a coherent and sensible transportation policy in Canada while a major link in the system is not subject to direct government authority. I am referring, of course, to the Canadian Pacific Railway. No doubt it is possible to make public policy felt, and have it implemented by indirect means. Nevertheless, this could be done more directly and more efficiently if ownership were vested in the people.

In this connection I am not speaking of the railways alone. I would remind the house that the two big railway companies in this country control in turn a great many trucking lines. I do not know what percentage of the interprovincial trucking business is controlled by the C.P.R. and the C.N.R. but it amounts to a large share. These two companies control telecommunications, water transport and air transport.

Thus, if we are to have a coherent transportation policy responsible to public opinion

as reflected in this house, one necessary step, it would seem to me, would be to place both these large companies under public ownership.

Mr. Pickersgill: Would the hon. gentleman permit a question? Does he think it would be desirable to have the trucking lines also owned by the government?

Mr. Prittie: Certainly not all the trucking lines. But I believe that if the government owned the two bigger systems together with the truckling lines which are now subsidiary to those systems it would exercise effective control over all major aspects of interprovincial transport.

The minister himself said this was a tenable point of view but that the cabinet had rejected it. It would have been helpful if when dealing with a subject as important as this one—and the present bill is supposed to deal with our transportation future for many years to come—the hon. gentleman had given some reasons for the government's rejection of the case for placing the Canadian Pacific under public ownership.

This issue will have to be faced one day, and I hope that later the minister will have something to say about the question. At any rate there is a growing demand in the country for action such as I have proposed. I recall that when the representatives of the National Farmers Union were before the railway committee two years ago they made such a demand. The National Farmers Union, I understand, has a reputation of being the more radical of the two major agricultural groups of the country and perhaps its views in suggesting something of that sort would not carry the same weight as the views of some other organizations. But I notice that in its submission to the government this year the Canadian Federation of Agriculture made the same point.

• (6:00 p.m.)

I should like to quote from page 18 of the presentation to the Prime Minister of Canada and members of the cabinet by the Canadian Federation of Agriculture on February 22, 1966, under the heading "Transportation Policy":

> It is the view of the Canadian Federation of Agriculture that the nationalization of the rail enterprises of Canadian Pacific Railways would make possible a single integrated system of rail service that could most rationally, and with the public interest always paramount, serve the people of Canada. It recommends therefore that the C.P.R. rail services in fact be nationalized.

[Mr. Prittie.]

This point had been made earlier by the National Farmers Union. The same point was made by a number of members of this house last spring when the question of the cancellation of the Dominion passenger service was under consideration and when there was some unhappiness in respect of the speed at which the railways were carrying grain to coastal ports. At that time I heard, from unexpected quarters, members suggest it was time the second railway company in this country was under government control. Again the government has said it has not changed its view. I think many Canadians would like to know what are the reasons for that refusal.

There is another point which I think members of the committee on transport and communications would like to ask a great many questions about. Where are the railways to get all the extra revenue as a result of this bill? When the emergency legislation was before us we were told that if this bill were passed the railways would not have to come to parliament to get the money to pay the extra wages which they may be compelled to pay their employees either by parliament or as a result of negotiation. I think the members of the committee should do a great deal of questioning on this point so that we will know where the extra revenue will come from. We know that the rates for the Atlantic provinces are not to change for the next few years, so there will be no extra revenue there. The Crowsnest pass rates are to remain for the next few years, so there will be no extra revenue there.

It has been suggested that the railways can save a certain amount of money by rail line abandonment. I listened very carefully to the speech of the hon. member for Qu'Appelle (Mr. Hamilton) the other night and I listened to the answers which the minister gave him during his speech on the question of rail line abandonment or rationalization.

From the minister's statement at page 8034 of *Hansard* it seems that when we finish with the bill there will be very few rail line abandonments because the government is going to give an undertaking that large areas will be left alone. As a result of what the minister said I cannot see that there will be very many abandonments and therefore there will not be very much saving in that direction. Presumably extra revenue for the railways will come from those areas where there is competition in the transportation business and where the truck lines exist between major cities in areas such as southern Ontario, the St. Lawrence valley and certain

parts of the west. But according to the theory we hear the competition between the various modes of transportation, rail lines and trucking lines, should keep the rates down, so I do not see where the extra revenue will come in there.

I expect that in Canada in the future as in the past there will be a large amount of money coming from the public treasury to subsidize railway transportation. I do not think the Canadian people are shocked by this. It is something we always have had to do and likely will have to do in the future. I am not a member of the committee on transport and communications, but I suggest to the members of the committee that staff people should try to give them some rather concrete figures about where the extra revenue is to come from, if the various sectors I have just mentioned are to be excluded.

I am interested in the question of interprovincial trucking. The explanatory note on the page opposite page 14 of the bill reads:

> Extra-provincial motor vehicle transport is, at the present time, regulated by the transport board of each province under the authority of the Motor Vehicle Transport Act. If it becomes desirable, in terms of the objectives of the national transportation policy, to regulate extra-provincial transport at the federal level, the new transport commission would be the regulatory authority. The necessary regulatory powers would be provided by this Part.

However, the minister has said that this will be done only if it is considered necessary. This is another question I have in mind. The Canadian Transport Commission will continue to set the rates for the railway lines in certain areas but they will not set them for the trucking lines. It seems to me less than sensible that if people are going to be engaged in the same sort of business in the same area the same board should not regulate the rates.

On the question of competition within a province let us take, for example, the line running from Windsor to, say, Kingston or Belleville which is all within a province but quite a good distance. You have the transport board of the province of Ontario setting trucking rates there and for the railway lines you have rates set by the Board of Transport Commissioners at the present time. If, because this is an area where competition exists, the railways are to be freed from having their rates fixed by the new transportation commission, what happens concerning trucking within that province? Will the Ontario Transport Board not regulate the rates for the truckers? Will they then be left to compete with the railways or will the transport board in Ontario set the rates for both the truckers and the railways in that sort of sector which is completely within a province?

Again, this is another question which comes to mind. A very good point in the bill, of course, which has been mentioned by other speakers, is the fact that a research agency will be established which will carry on continuous studies on the question of the economics of transportation in Canada. I hope the government will pay sufficiently well to get good people for this and then pay sufficient salaries to keep them. My fear is that we may get some people who will begin to understand the transportation economics of this country and will then be hired away perhaps by the C.P.R. or some other company in the transportation field. This certainly is a most important field. The hon. member for Qu'Appelle made reference to that the other night.

Frankly, Mr. Speaker, this is the sort of bill in respect of which I would rather not be called upon to vote on second reading. It is so complex and deals with so many subjects that it is difficult to comprehend them at one time. It seems to me it would have been more useful had we done what I believe happened in 1964 when the subject matter of the bill was referred to the committee and when, after views had been heard from various organizations and questions had been answered by experts, the matter then came back to the house. I think in this way members would be in a much better position to evaluate the legislation we have here, because it is so important and so very complex.

I should like to conclude with a reference to one other subject which I have mentioned from time to time. At earlier times I have suggested we should have a minister of civil aviation in this country. I suppose that idea does not stand up any more because we are to have this over-all transportation commission which is to regulate air as well as rail, water and road traffic. I have always felt, however, that the Department of Transport is such a large department with so many responsibilities that, as in the case of the Department of National Defence, there should be more than one minister. I know that at the present time on a temporary basis the Minister without Portfolio (Mr. Turner) is assisting the minister, but in view of the importance of the transportation life of Canada it seems to me the government should consider bringing in other legislation the next time the

cabinet is reshuffled to provide for an associate minister of transport to share the duties in this very important field.

• (6:10 p.m.)

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I listened with interest to the remarks of the hon. member for Burnaby-Richmond (Mr. Prittie), particularly those about politics in transportation and government. The minister mentioned this subject originally and I think it is fair to discuss it now. I see nothing wrong with politics in transportation or politics in this house if you consider politics, as it is properly defined, to be the science of government. I believe that what the hon. member and the editorial which appeared in the *Globe and Mail* had in mind is that this government, with tremendous enthusiasm and zeal and great attention to detail, has in its inimitable way taken the science out of government.

Be that as it may, I feel, as does the hon. member who has just taken his seat, that we must be very cautious at this stage of this bill because of its great detail. I commend the government for reaching out toward a new concept which has been spoken of by royal commissions for many years, particularly because of the new and sensational innovations which are contemplated.

At this point I find it difficult to vote in favour of this measure on second reading and I must express my opinions at this time as being without prejudice. We must observe what develops as a result of committee hearings and we must be entitled to see what impact this policy may have in dollars and cents on various industries and various regions of the country before coming to any conclusion whether or not it will help to make a greater and better country.

I am sure we are going to receive a very considerable amount of expert evidence during our committee hearings. We will be able to ask factual questions and get factual answers. That is the forum where this should take place. If as a result the government's contentions are in fact borne out I can say without equivocation that I am prepared to forsake without prejudice my position and give support to the bill.

In any event I do have some reservations at this time and I think this is the proper opportunity to ventilate them. In that way I think I should remark upon the statement made by the minister during the course of the speech by the hon. member for Qu'Appelle (Mr. Hamilton) and later on during the speech of the hon. member for Medicine Hat (Mr. Olson) as to the government's willingness to take a position of flexibility regarding this bill and to accept certain changes which the opposition may recommend. I realize that the government's experience in respect of collective bargaining durig the last two or three months has not been happy, but I do hope it will adopt a collective bargaining attitude toward the opposition rather than use compulsory arbitration.

I wish to direct the major portion of my few remarks toward the subject of a super body or commission and its composition. At this time I am not prepared to take the firm position that the composition of the commission, being 17 members, is objectionable, but I do see some ground upon which one can argue that its forms and procedures are objectionable. I will reserve my judgment in this regard. We must wait until it has been in operation for some period of time before we know whether or not it can work efficiently.

At this time there are some aspects of this subject to which I think I can take exception. I am wondering whether it is proper to give appellate jurisdiction to the board, which is contrary to the present act. During the course of our very interesting discussion this morning, and I am happy the government made available some of its knowledgeable senior civil servants, there was a comment made to the effect that because of the variety of viewpoints which would be represented on the commission there would be a cross-fertilization of ideas. There was also mention made of research facilities and functions.

I fear that this research aspect of the commission will in the end result in such an impregnation of the entire commission, if I may carry on the analogy of cross-fertilization, that the ideas which will flow from it in the form of orders and recommendations to the government, ultimately to be reflected in legislative measures, will all be cut out of the same cloth and that there will not be within the four corners of the commission that variation of opinions or that new and completely distinct approach which any appellate division must have if it is going to carry out its functions successfully. In other words, not only the formal but informal discussions which will take place from time to time among the 17 members, having in mind the studies on which they will base their actions and orders, will be affected by this research

aspect of the commission. There will not be, under those circumstances, that independent, free and objective attitude taken by some members toward decisions made by others. I hope I am wrong but I must say, having in mind my professional experience as a result of applications in courts and in argument presented to the Board of Transport Commissioners, that this appears at first blush to be a reasonable objection.

Let me follow up the question of the research aspect of the commission. I am wondering whether or not, as a result of the views regarding the entire ambit of transportation which will flow from this research unit, the government—I use that word with a small "g"—will become so imbued with them that any subsequent legislative proposals will not be likely to be changed or varied. If that happened the task of those who think they have a ligitimate objection to certain proposals would become very difficult indeed.

• (6:20 p.m.)

The minister has said there is a limited number of people in this country with the varied knowledge and background essential to be of assistance to the government of Canada. I think some consideration should be given to the establishment of a national transportation research institute, partly financed by federal and provincial governments, which would make its massive information and its opinions available to all people and governments. This would not prevent the national transportation commission or the government from having access to its own expertise. I think this suggestion has been discussed from time to time during the course of studies by royal commissions. As a matter of fact, Mr. Speaker, I thought it was original, but when one reads back one finds there is nothing original in this house or in politics. However, I suggest that the government give this matter consideration.

The second point that worries me at this time is that Bill No. C-231 incorporate certain provisions of the Railway Act of Canada. For example, the Board of Transport Commissioners has for a number of years taken the position that it is inhibited in its jurisdiction. It has taken a very narrow view of its powers because of what it feels are the statutory provisions under which it was created and operates. I shall not deal with all of them, but I have here the report of the Turgeon Royal Commission made some time ago. In the general review at page 23 of the report Mr. Justice Turgeon deals with the decision of the board in connection with an application for a 30 per cent freight rate increase. He says:

> In the first decision of the board filed in the 30 per cent application on March 30th, 1948, the position of the board with respect to its jurisdiction and powers to reduce rates to assist industry or to equalize,—

I think these are very important words:

> —through the prescription of reduced rates, production costs, geographical location, or climatic conditions, was dealt with at considerablel ength. The following extracts from its decision indicate clearly the opinion of the board as to its own powers and as to the discretion left to the railways concerning these matters.

Running very briefly through some of them, they are:

> "In other words, while members of the board may and do, as Canadians, sympathize with policies of economic development which may through increasing diversity lead to greater economic solidarity, it is not their general opinions but the powers conferred on them by the Railway Act which determine what they can do. Very wide powers, it is true, are given under the Railway Act; but the Railway Act is not to be construed as if it were a blank cheque to be filled in as members of the board see fit. It is not the board's function, as delegated by parliament, to make rates to develop business, but to deal with the reasonableness of rates either on complaint or of its own motion."

The board said also:

> "Railways are not required by law, and cannot in justice be required, to equalize natural disadvantages such as location, cost of production and the like."

The board said it did not have the power to compel them. And so on, Mr. Speaker. The first two pages of Mr. Justice Turgeon's report are simply littered with comments of this kind. My view is that the national transport commission, inheriting under the provisions of this bill the powers, jurisdiction and ability to make decisions on the principle of *stare decisis*, will be bound in this regard and will very probably take as narrow and as limited a view as the Board of Transport Commissioners. I think that somewhere in the bill there might be placed a section directing the commission to have regard to many of those factors to which the Board of Transport Commissioners said it was unable to give effect. I notice that the bill says in clause 1:

> It is hereby declared that an economic and efficient transportation system making the best use of all available modes of transportation at the lowest total cost is essential to the economic well-being and growth of Canada—

If that could be interpreted as meaning that the economic well-being and growth of Canada are based upon the economic well-being and growth of all regions of Canada, and that the commission is compelled to look at that aspect of it in its decision, I would be content. But I fear that, faced with the previous decisions of the Board of Transport Commissioners and based on a normal interpretation of this particular clause, the commission will not have this authority. Equally, the proposed new section 317, which is to replace the section dealing with the settling of rates and the right of any person to appeal, says, as will be found at page 33, clause 44 of the bill:

> Any person, if he has reason to believe that any act or omission of one or more railway companies, or that the result of the making of rates pursuant to this act after the commencement thereof, may prejudicially affect the public interest in respect of tolls or conditions of carriage of traffic, may apply to the commission for leave to appeal the act, omission or result and the commission—

I do not think this very important section will cover the situation to which we might well come, and it has been referred to by other hon. members, namely, that the legitimate regional desires and requirements of various parts of Canada must be an aspect of any national transportation policy which is required to be put into effect.

Using those two phrases which I have quoted from the bill as being indicative of the probable result, I doubt that the commission proposed to be set up under the present bill will be able to go much farther than the Board of Transport Commissioners. It is true that the same rights of appeal are carried over into this bill, namely, the right of appeal from the commission as a whole to the Supreme Court and in certain instances the right of appeal to the cabinet, but when it comes to the question of regional development and policy we have the situation which the previous government took into consideration when it acted as it did with regard to the freeze on rates, and so on.

There is another question which I raised earlier. I refer to the very, very few cases where appeals have been made to the cabinet, to the governor in council, under the pertinent section of the Railway Act and have reached the point of being heard and disposed of. This indicates that the procedure is not too satisfactory and all too often what happens is that when appeals reach the cabinet, in due course the cabinet acts not on the appeal but some legislation is brought down or a royal commission is appointed and the matter reaches an unsatisfactory conclusion in that way. If we are to have this concept of a new board and are to give it adequate authority, it should be given some additional authority to deal with certain questions of fairness and equity affecting regions in connection with equalization and regional discrimination which the former Board of Transport Commissioners was unable to deal with.

I should like to deal very briefly with several of the general positions which appear to be taken in the bill. The hon. member for Acadia (Mr. Horner) dealt with the question of the Crowsnest pass rates. It is true that under clause 50 and by new sections 328 and 329 of the Railway Act the bill does propose that an inquiry be instituted and that during the course of the inquiry there should be a freeze on the existing statutory Crowsnest pass rates. Basically this is the position. But I am a little alarmed at the wording of proposed new section 329, first, because the period of three years is not definitely fixed. What the act will say, if it is passed in its present form, is "not later than three years after the commission shall inquire," and so on.

This could mean anything. It could mean that the commission could wait until the very last day of the third year to start its inquiry and conclude it at some period in the future. It could mean that the commission could start its inquiry the day after this bill becomes law and complete it within six months.

• (6:30 p.m.)

I do not think, or at least I hope, that the last of those two contingencies will be a fact. However, what does concern me is part of proposed new clause 329 which states that when the commission has established its inquiry, gathered all its evidence and reported to the government, then, in the words of the clause:

> —the governor in council shall take such action as he deems necessary or desirable on the basis of that report to provide assistance to such railway companies.

I am not prepared to accept that in its present form. Having in mind the contention which has been held for so many years and the fact of which the hon. member for Qu'Appelle (Mr. Hamilton) spoke regarding the great variation between the original figures produced by the railway companies before the MacPherson commission, the

figures produced by the western provinces and finally the figures which were obtained by the royal commission from its own statistical studies—these were the people who obtained the very best expert assistance—it is to be noted that there is a very considerable difference between the figures I mentioned and the final figures.

Surely under those conditions—I am trying to approach this on a national basis—it would be very difficult to ask the western members and the people of western Canada to accept the fact that the government may act solely on the figures which the commission obtained and which are subsequently furnished to the government. My view is that when this matter is being considered, as probably has already been done by the government, thought should be given to replacing this phrase by the simple alternative sentence: "The governor in council shall refer the matter to parliament".

Mr. Pickersgill: May I ask the hon. gentleman a question? Is the phrase he has suggested not implicit? The governor in council cannot appropriate moneys. Therefore it seems to me that all the governor in council can do in these circumstances is to suggest an appropriation in the estimates to give the railways this relief. I can assure the hon. gentleman that this was intended by the draftsmen, and if there is any doubt about its meaning this is something we would certainly want to resolve in committee. I want to make it very clear, if the hon. gentleman will be good enough to permit me to do it, that there is no thought whatever that this would empower the governor in council to recommend any change in the Crowsnest rates. All it would do would be to authorize the governor in council to recommend to parliament that some financial relief be granted to the railways if that seemed desirable to the governor in council after receiving the report.

In the case of the branch lines that are retained and of the passenger services, we have made it mandatory that the railways should be compensated for any losses, in one case for the full amount and in the other case for 80 per cent. All that is said here is that the governor in council may consider what should be done and that parliament might then be asked to take action. If the language is not sufficient to make that clear I can assure the hon. gentleman that we will entertain any reasonable amendment to make doubly sure that no other meaning will be read into that clause.

Mr. Baldwin: I thank the minister for his explanation. I think it probably makes this clause a little more palatable. However, I must say that the words contained in the phrase, "and the governor in council shall take such action as he deems necessary or desirable on the basis of that report to provide assistance," lead to more than one interpretation.

I was glad to hear the minister say that only parliament can take action in this matter. Of course I have seen attempts at doing otherwise made in the past. However, I think the usual legislative approach might be better than appropriating moneys in the estimates which are of course debatable. Each estimate constitutes a parliamentary resolution. It must be studied, debated and passed by this house and by the Senate before it is enacted into law. However, in some cases difficulties arise. I hate to make accusations against this government but sometimes a large number of supplementary estimates are brought before the house in the dying days of the session. I think this is a fault common to most governments under our democratic system. The possibility arises that toward the end of a session the government may bring down estimates which include an item for $15 million or $20 million expressed in the form of a subsidy to the railways to compensate for the losses they are alleged to have sustained in hauling the grain of the western farmers under so-called statutory rates. I do not think that would be the right way to do it. I think the minister has indicated that he will consider this matter further and I believe it is very important that he should do so.

Then there is the question of a maximum rate control. Obviously this is one of the very detailed and complex aspects of the legislation. The hon. member for Qu'Appelle and other hon. members have referred to the question of costing. This is a tremendously important part of the issue and goes right to the heart of the problem. It was the subject of a great deal of discussion before the MacPherson royal commission and I am sure the officials in the minister's department have considered this matter and made their calculations. I will only say at this time that I am very doubtful whether the formula as it is expressed in the proposed new section 334 of

the Railway Act will meet with my approval but it is possible that the minister and his officials may be able to satisfy my requirements. The onus will be on them to do so.

Finally I wish to speak on the question of the motor vehicle undertakings. I am concerned about the initial assumption that certain tolls may be fixed by the government. Of course the minister indicated at one time, and we heard the view expressed this morning, that there are conditions precedent to this coming about. The question of jurisdiction is not one which should be discussed in detail at the present time but it is certainly a very important factor. As I pointed out this morning, it is stated in clause 35 (c):

> —the commission may make regulations (c) respecting the safety, protection, comfort and convenience of the persons availing themselves of the services of a motor vehicle undertaking;

During the question period today I pointed out that the difficulties in implementing this right are very great indeed. It is the provinces which are responsible for the construction of highways. They lay down the rules and regulations respecting the equipment of vehicles. They lay down the restrictions under which licences are granted to operators and they lay down certain regulations with regard to insurance.

It seems to me, at first glance, that this subclause could be struck out as being entirely unconstitutional. There is no doubt that this a matter on which there will be constant negotiations because if there is to be a national transportation policy it must be based upon the ability of the government in conjunction with the provincial governments to lay down and establish tolls which are in fact a part of the whole competitive structure. Without that ability it is very likely that the announced purposes of this legislation will be nullified. I am not suggesting that this new approach should not be undertaken but that there are grave weaknesses which will have to be explained satisfactorily in committee and later on in this house before it can be accepted.

• (6:40 p.m.)

Mr. Pickersgill: I wonder whether the hon. gentleman would permit me to ask him a question? Probably, Mr. Speaker, if you were asked to rule on it you would rule it out of order because it is a hypothetical question. I do so only because the hon. gentleman is a very distinguished lawyer and I do not get the chance too often to ask lawyers for free advice.

[Mr. Baldwin.]

My question is this. With respect to the particular section 35 (c) to which the hon. member referred, would it not be true to say that since the vehicle would be on a provincial road the regulations regarding safety, etc., made by the provincial legislature would have to be complied with but that it might be possible for parliament to insist upon additional precautions that were not in conflict with the basic laws in cases of vehicles that cross provincial lines?

I think that is all the draftsman had in mind. In no way would it be possible for us to say that a vehicle could go on provincial roads when the provincial laws said that it could not do so. However, we might insist that if the vehicle was going to cross from one province to another even more stringent regulations might apply. I would just put that to the hon. member.

Mr. Baldwin: Mr. Speaker, as a result of such an appealing request by the minister I will break one of the first laws of our profession and give him free advice. After all, as I am speaking in the House of Commons this cannot be used against me at any subsequent professional trial.

This is somewhat like the situation which prevails in many provinces where there is conflict between municipal ordinances and provincial regulations. Some municipal ordinances are held to be valid so long as they do not conflict with the provincial law. As a matter of fact, I would hope that this might serve as a means whereby a more uniform approach can be taken over the whole country. If that can be done, then more power to the government, the minister and his officials. Whether or not the provinces are in that type of receptive mood now is another point, but a more rational and uniform approach to this whole question is certainly one which is worth working for.

Finally, Mr. Speaker, I take this general position. I hope that the minister and the house will understand that I do not say what I have said from any personal, regional or even constituency viewpoint. I think that the strength of this country must be maintained by paying attention to all parts of it. I hope that we in this country are now passing through the concluding stages of the argument whether or not there shall be two nations or two states in Canada. I hope this argument is reaching its conclusion. But for many years another argument has been raging as to whether or not there are also two parts of Canada, one the developed part and

one the other part which needs developing but which because of fiscal policy, transportation policies and other policies is not managing to achieve that measure of development, socially, economically and politically, that it should.

It do not think that you can have a strong country unless you have normal and proper growth in all regions. I think that our real problems of transportation will not disappear until this becomes the case, until you find secondary and tertiary industry coming into western Canada, coming into northern Ontario, coming into Quebec and coming into the Atlantic provinces. When this happens, then and only then will many of the problems which the government is trying to solve in this legislation really disappear. Any legislation which does not achieve or work to that desirable result is not good legislation.

We have heard a lot of talk about masters. I think that there was in one of the provinces at one time a "maître chez-nous". I believe it was Abraham Lincoln who said: "As I would not be a slave, so would I not be a master". I think it is in that way and with that attitude only that the government and this parliament can make a national approach which will result in the development of all parts of the country in a normal manner. I think that anything short of that is insufficient.

• (6:50 p.m.)

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, at the outset of my remarks I should like to express all my admiration for the logical and the sound manner in which the previous speaker discussed the problems facing parliament. And it is an example that we, newcomers, will try to follow because he would naturally be inclined, and quite justifiably, to sharply criticize the government; but instead, as a serious-minded and very objective lawyer, he puts forward constructive arguments and, as an independent, I am glad to congratulate him personally. I must add that I am learning a great deal by listening to his contributions in this house.

Mr. Speaker, the bill under study is entitled:

> An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to enact other consequential provisions.

I shall not make a complete review of the bill, first because it has already been done by more experienced colleagues and also, because I am one of those who find pieces of legislation totally tasteless and confusing and who sometimes wonder whether the drafters take pleasure in making them so, in order precisely that the laymen will not be tempted to scrutinize them too closely and to leave it to the lawyers to fiddle with them.

Besides, Mr. Speaker, pieces of legislation are so questionable. As a matter of fact, I must have listened to 10, 12 or 15 learned lawyers here who expressed different opinions in many cases, and I know that these learned lawyers and all their colleagues, in the coming centuries, will keep on arguing on the meaning of such and such a word or insist that part of a sentence means just the opposite of what laymen think.

Therefore, I shall not venture that far. I shall only make a few general remarks reflecting the opinion of what I consider as a layman who sees those pieces of legislation take form, who sometimes wonders with some concern whether the statutes he can hardly understand and which are so insipid actually promote the commonwealth, the common good of the people who are perhaps not as well protected.

I shall first remind the government that I voted for the bill introduced in this house to end the strike. I even urged my colleagues to do likewise without delay, because of the emergency that I found disastrous for the country's economy and which resulted every day in an increasing number of lay-offs throughout the country. We therefore voted for the bill, but I did so on one condition which I shall now state. I believed in the government's undertaking to take the required measures in order to settle the problems of railway workers and also to prevent the recurrence of such crises. I remember that on that occasion, we were told the bill would precisely remove, directly or in directly, a great number of the causes for disagreement and misunderstanding which give rise to strikes as unfortunate as the one experienced recently. I reminded the government that we fully expect that all these things will be done. I am speaking in a constructive, rather than a destructive way.

In my area, Mr. Speaker, in the constituency of Trois-Rivières and in the whole area of Trois-Rivières which is called the heart of Quebec, the railway workers returned to work on the very night the legislation was passed. The appeal I made over the radio not only in my constituency but in the whole area, asking the railway workers to set an

example of observance of the law, was answered. They went to work within a few hours, the very night the legislation was sanctioned. I will not say that like many others throughout the country who were convinced that the legislation did not settle the whole problem, they returned to work with joy in their hearts. They returned to work precisely to show to the entire country that they were law-abiding citizens; they also returned to work because they believed in the government's undertaking which I, as an independant member, brought to them, telling them that I had reason to believe that the government would fulfil their undertaking. But now, these undertakings will have to be met, otherwise, some pleople will be most unhappy and they might have unfortunate reactions on occasion.

So, Mr. Speaker, even if I cannot find it in the first reading, after thorough scrutiny, I trust that, in the spirit of the legislation and in all provisions, means will be taken to ensure that this legislation will not protect solely the companies, but that it will also protect the workers. But before I get to the gist of my remarks, I should like to comment on some statements made in the house.

For instance, I have heard the hon. member for Villeneuve (Mr. Caouette) tell us that the net result of this legislation will be to increase the risk of inflation. I beg to differ. I am not quite sure of that. On the contrary, I believe that this legislation will be most helpful if it is to eliminate duplication of services, for instance, and eliminate useless and costly lines, in short if this legislation should encourage the railways to rationalize their operations, to adopt more modern and efficient methods to prevent operation at a reduced capacity when full capacity is needed, as was mentioned by an hon. member this afternoon. Indeed, all of us have occasionally made reservations and been told that no space was available, but on getting aboard the train we found that the reserved seats were only half full.

There is on that point an obvious lack of organization indicating that, within the railways, at least as far as the Canadian Pacific is concerned, methods which I would call mediaeval are still in use. I must say, Mr. Speaker, that I am under the impression that the Canadian National was more quickly modernized, that morale and service seemed better than on the Canadian Pacific. Nevertheless, there are still in operation methods which I call medieval and I wonder whether the railways are not maintaining them because they are aware that when faced with huge deficits, they can turn to the government which will then fill the gap. So then, the hon. member for Villeneuve should give the matter some thought because if such modernization is resorted to, there are grounds for hope that the railways will become profitable.

He was right when he said that it was not quite logical to give an increase of 18 per cent across the board, as our friends say, because on the whole, those who are getting smaller wages will benefit less that those who are more highly paid, while the cost of living is the same for all.

I was also struck, Mr. Speaker, by the remarks of the Minister of Transport (Mr. Pickersgill) who, convinced as he is of the importance of his bill, said as reported on page 7994 of *Hansard*: "We are ready to stake our lives on that". That is not a verbatim quotation, but that is what he meant. Presumably, he will not have to do it, but I hope the Minister of Transport and all those who share with him the responsibility for the development of this legislation will nevertheless take into account all the comments made here and those that will be made at the committee on transport and communications and bring in some amendments which are obviously required.

An hon. member of the opposition also said that he noticed that morale was down among C.P.R. employees. He was perfectly right, and I do not see many members of this house who did not have an opportunity of seeing that for themselves during their frequent trips on trains.

One wonders whether the C.P.R. is not neglecting its passenger service simply to have the government allow them to get rid of that white elephant, now that they have taken off everything profitable in the concessions made to them by the country. Anyhow, I will return to this point a little later on.

The leader of the New Democratic Party (Mr. Douglas) gave us the history of the railways to remind us that they had received extraordinary and fantastic advantages from the Canadian people and he concluded by saying that the railway companies did not have today the logical reaction they should have by giving back to the people, at least to a certain extent, what the people gave them.

It is in that spirit, Mr. Speaker, that I will make some constructive criticism.

I hope that the Transport Commission will have teeth; teeth which will have enough bite to compel those in the railway companies to fill certain gaps, to remedy certain deplorable deficiencies. Once again, I do not wish to present a complete picture of the situation; I will rather proceed by means of illustrations.

Mr. Speaker, despite everything that can be said about the financial plight of the railways, I cannot see why most railway stations in Canada should look shabby and the surroundings neglected beyond belief; the responsible people seem to forget that this is the place which visitors from foreign countries, tourists, for instance, might regard as the face of Canada. Buildings are left in a dilapidated condition with inconceivable thoughtlessness. Some will say that this is because of adverse conditions but it is too important to show a proper face to our visitors to leave things as they are. I am thinking of Expo 1967 which will bring thousands of visitors. Those who travel by train or by car, and who approach railway stations, will find that one station out of five only is in good condition; it is reasonably modern, and painted, and does not look like a hovel or an abandoned house. This fact should be pointed out to those who have the responsibility in this matter.

Mr. Speaker, it is also my opinion that the passenger services are awfully neglected. This has been mentioned many times; I repeat it, because this service is a must; the commission should be specifically instructed to see to it that railways cease to neglect the travelling public, either by abolishing branch lines, which seem to be necessary because of a lack of passengers, or by a lack of deference towards passengers, or in discouraging people to take the train, so as to get rid of them.

It should be determined, Mr. Speaker, whether it is good, logical and morally right for the railways to have obtained their early concessions from Canada including land and natural resources and all sorts of things, in other words millions of dollars in grants and subsidies coming from the taxpayers and then, having invested in different companies all the proceeds from their concessions, isolate passenger service only and say: This is unreasonable; what is economic about our badly-financed organizations?

That is incredible, Mr. Speaker. They did not make those distinctions when they asked the Canadian people to grant them all those concessions; they were ready to provide all sorts of services for Canadians and they did provide them then. Now, however, if other services are more paying than passenger service, part of this profit should be used to continue giving the Canadian people, who paid for it, the services to which they are entitled.

Mr. Speaker, the men, the employees, the railwaymen are also complaining about all sorts of things, particularly that they are not always treated in a humane way. I am not one of those who like to play the demagogue. On the contrary, I am of those who on occasion remind the workers that they not only have rights in society, but duties as well. We did it yesterday, on Labour Day; our workers hear that; they listen attentively and take it into account.

• (7:00 p.m.)

But someone must remind those people of their grievances once in a while. For example, train conductors tell me that they were away from home for two or three days and that they went to eat a good steak at noon—one knows how much a good steak costs; at least $2.75, $3, $3.50; in some areas of the country, where it is less expensive; in certain places, the best steak costs $4.50 and I suppose they are just as entitled to it as we are. And yet their expense account is cut down to $1.25 to $1.50 under false pretexts.

How can the morale of those workers be good, when they see the railway company make savings on the cost of their steak at noon, instead of making more effective ones? Their morale certainly cannot be good.

Mr. Speaker, I have personally seen, for example, in Montreal and also in Toronto, under certain circumstances, railway employees who work outside their home towns and who can only visit their families on Saturdays and Sundays, forced to wait sometimes half a day because they cannot travel aboard any train; they can only ride on certain trains. They have to wait at the station, after having been away from their families for a week and they cannot take the train which would bring them back home as soon as possible. As a result, they hardly spend a day with their families, their wives and children.

How do you expect the morale of these people to be high?

Mr. Speaker, I have visited personally in the Ottawa area, railwaymen who work on railway construction and have to stay away from home for whole weeks on end. I went to see the cars in which they live and I may state that conditions regarding sanitation and cleanliness are repulsive. Such conditions are inadmissible in this era. For instance, to quote only one example, it seems to me that blankets should be washed more often than once every five or six months. To me that would appear to be elementary. The same applies to the sanitation. It would appear that it has not yet been understood that we no longer live in the era that we, older people, have known—where some of those sanitary services were lacking, where there was, especially for those coming from the country, only a pump and, sometimes, only a well in the yard to supply us with water, and where, for lack of other sanitary services, we sometimes had to take a walk to the back yard. Well, conditions are no longer like that; such a situation is not admissible in 1966, especially if one wishes to say that all possible measures are being taken to keep the railwaymen's morale high. Therefore, those people have complaints.

Next, there is the question of forthcoming automation; evidently, that is even more important but I shall not venture into it. However, I would ask hon. members to understand the anguish of those people who have spent 10, 15 or 20 years with the railways and who believe that by reason of automation, they will perhaps be dismissed, their training making them ill-prepared to secure employment elsewhere. They expect that the government, through its Canadian transport commission, or perhaps through the agency of the Department of Manpower, that is to be established, will guarantee to them a sort of rehabilitation, in short, a change of job inside the company if, eventually, automation should mean the loss of their livelihood.

Mr. Speaker, we must keep in mind, while we are revising the Railway Act—because not only the interest of the companies is to be considered, once again—that there is not only the financial interest to be considered, but that we must take into account the human aspect. We must not forget that.

At this stage, Mr. Speaker, I will make a more personal comment. I know that some members of this house will find that we are discussing this at right and wrong moments, and I know that it will probably hurt certain members of this house. However, I wish to remind them that we have no intention of engaging in destructive criticism. If they feel hurt by my remarks, they should keep in mind that we were hurt for a long time when we were, shall I say, victims of certain omissions, certain errors. I am telling this to the hon. minister, knowing his good disposition, expecting that he will want to take measures so that errors will not be committed as they were before.

On page 3 of the bill, Clause 6, it is stated that a board of 17 members will be created. I ask myself immediately: will there be a reasonable number of competent persons among the 17 members, be they from the province of Quebec or elsewhere? Will there be any? I have been assured that there would be, Mr. Speaker, on another occasion when we were dealing with the National Arts Centre. I was told: there is no need for those things to be written in black and white in the act, because we mean well and this will be done.

I believe that this is generally the case. I feel parliament has dealt with the French Canadian element in Canada with probably more fairness than most of the previous parliaments. I am ready to state this in all frankness, but I must also say say that there are still a few things which worry me. I remember, in particular, when the corporation was created for the administration of the Ottawa station, I saw five English names and not one French name. I told myself: is it possible that there could not be a French Canadian in the 10 provinces who would possess the necessary qualifications to be a member of this corporation? And you will understand why this worries me.

I repeat this for the fourth or fifth time, and do not interpret my speech as being in any way separatist; I am one of those who wish to make a serious attempt at federalism and I am ready to make the necessary sacrifices; but I am telling those who do not believe we have a generation of young French Canadians who are angry, because they examine the history of confederation over the past century and they are not satisfied with the treatment they have received, and they are the first instigators of separatism, since they do not act with due fairness toward those people.

I will make another remark, Mr. Speaker, and, this time with probably more equanimity. I was shocked to see on page 39, section 329 of this bill, something that reads thus:

(1) In this section—

—the definition of eastern ports—

(a) "Eastern port" means any of the ports of Halifax, Saint John, West Saint John and Montreal and any of the ports on the St. Lawrence River to the east of Montreal;

I do not see the name of the harbour of Trois-Rivières. It is classified among any of the ports. Mr. Speaker, the port of Trois-Rivières is proportionately the most paying of all Canadian harbours for the National Harbours Board. It could have the honour of having its name in the bill. I take it for granted that the minister will not refuse me that pleasure.

And now, Mr. Speaker, I would like to raise another point. I would like to suggest to the hon. minister to invite representatives from the Canadian Federation of Mayors when this bill is discussed in committee. They have constructive remarks to make concerning the taxes the railway companies have to pay. And this point I make to you in the most constructive manner—I know since I was for several years on the executive of the Canadian federation of mayors. Mayors of Canadian communities where huge railway installations are located are dissatisfied with the treatment of the municipalities on the question of taxes.

It is not my intention to elaborate on this, but I suggest that they be called before the committee to make known their grievances. This is simply a constructive suggestion.

And finally, Mr. Speaker, I conclude with two remarks. There was reference a while ago to disputes which might arise between provinces. To my mind a desirable formula for the establishment of this transport commission, would have been for the federal government to invite each provincial transport commission to send a delegate to that federal commission. This would have been a way to show implicitly, even in a field of federal jurisdiction, that there is a desire for co-operation between the central government and the provinces.

And in conclusion I shall say this to the house. Mr. Speaker, I have a feeling that the requirements, the problems and the sacrifices of the trucking industry in Canada are not being fully taken into account. If it is true that the railroads have exerted a decisive influence on the economic development of this country, it is also true that the trucking industry with its own money, and against all comers has achieved something impressive, notwithstanding that it has to compete with the railways which are subsidized in the way we all know.

I think the trucking industry should enjoy special consideration; I would even go further, Mr. Speaker, and say that, in my opinion, the railroads should not be allowed to compete with the trucking industry with the taxpayers' money.

I believe the Canadian trucking industry is capable of absorbing what the railways cannot carry. The trucking industry did it up to now with their own money, with their own means. What they have done should be recognized or at least government grants should not be used to create competition.

Mr. Speaker, I wish to say in conclusion that if, by setting up this transport commission, certain railway companies persist in wanting to make a profit on economic lines while refusing to spend some of it on uneconomic lines and to give the Canadian public the service to which it is entitled, well, I for one suggest then that we had better think about nationalization. I do not favour nationalization as a general rule. But in the case of such an important service, I think we should perhaps go ahead with it. But nationalization should not then be confined to means of transportation but also to all concessions made to the C.P.R. to everything the C.P.R. has invested in other companies which are extremely well off today; all that was given to those transport companies should be returned to the Canadian public for the benefit of the Canadian public.

This being said, Mr. Speaker, I nevertheless commend the government for the timeliness of this bill. It is timely and I know people have been clamouring for it for a long time. I also suggest—and I know the government has sense enough to do it—that some of the recommendations which will be forthcoming should be taken into account, that certain people, certain representatives, should be invited to appear before the transport committee and their recommendations heeded. May I mention in this respect the representatives of the Canadian Federation of Mayors and the representatives of the Canadian trucking industry and, of course, labour representatives who expect the government to finally settle the problem which it has started to

settle by introducing the bill we passed the other day.

• (7:10 p.m.)

[*English*]

Mr. J. M. Forrestall (Halifax): I join with a number of speakers who have preceded me in extending to the minister my personal compliments on having given birth to this long-awaited baby—although it is not exactly a baby; it is probably one of the most far-reaching pieces of legislation ever to have come before this house.

I am a young man, but for the last ten or 15 years I have followed the progress of parliament and of the various governments of Canada in their pursuit of a national transportation policy which would embrace all forms of transportation and the general field of communications. What we have before us now for approval in principle is indeed the basis of worth-while legislation. I could go on to praise many aspects of it, but I am afraid that like most members of the house I have not yet had the opportunity to avail myself of expert opinion as to the effect it is likely to have on certain traditional positions.

As junior member for the constituency of Halifax it might be redundant for me to place on record the full extent of the effect this legislation in its present form is likely to have on the port of Halifax. It is difficult to describe in a few words the importance of transportation to the port, to the local economy and indeed to the entire province of Nova Scotia. Its role is a dominant one. Around our port and the movement of goods through the port, around our military and naval establishments centre all the hopes we have in Halifax, and that general area, for an advance at a pace "commensurate with the rest of Canada", to use a phrase from the bill itself. In this light it is obviously of importance that the consequences of this bill should be understood clearly and that at least one or two assurances should be forthcoming.

The provisions of this measure will affect, among others, longshoremen, customs and immigration staff, railway employees, freight workers and maintenance men together with a vast range of associated interests. It is probably true to say that from 25,000 to 30,000 people derive a livelihood from an occupation directly related to transportation.

In terms of tonnage, the general cargo volume has been running somewhere around 1,250,000 tons in the last year or two. Perhaps I should include the value to Halifax of bulk cargo shipments which have a direct dollar value to the port and to the local economy of at least $18 million each year—not an insubstantial sum by any means, and this estimate is probably a conservative one.

[Mr. Mongrain.]

During the past two or three years we have seen a levelling off of the second major factor in our economy—the income deriving from the military role of the area. For many years there was a continuing increase in the effect of the military dollar upon our economy. This is declining every day. Indeed it is almost gone. But these are two factors which are directly associated with rail transportation, and because of our isolated position they must receive first and primary consideration in my mind as a representative of Halifax.

As I understand the bill before us, which we are being asked to approve in principle, no assurance is given beyond the stated two-year period, notwithstanding the valuable work now being carried out by the special Atlantic provinces study group, and the recommendations it may make to the government at some time in the future. There is nothing in the bill as far as I can see which would protect the traditional position of the maritimes, and if the Minister of Transport thinks otherwise perhaps he would be good enough to say so.

Mr. Pickersgill: Since the hon. member was good enough to invite me to intervene perhaps he would allow me to draw his attention to the fact that the rates set under the Maritime Freight Rates Act are not altered in any way. The new protection which was introduced only in the last couple of years in connection with Atlantic and Eastern Grain rates is contained in this legislation, and no rates in the region can be changed at all for two years, and then only those which were frozen a very few years ago under the Freight Rates Reduction Act.

Mr. Forrestall: I thank the minister for that reply but I am still not certain that what he has said is the assurance we are looking for. The minister knows as well as I do that our competitive position under the existing Maritime Freight Rates Act puts us into a very broad category and places us at a disadvantage of some 30 per cent compared with other areas. This has been the subject of many letters to the minister; he is familiar with it and I do not think I need elaborate. It will be difficult for me and for most maritime members to give the bill support in principle. It is not good enough for the minister to give assurances. It must be in the act.

An hon. Member: Put it in the act.

Mr. Pickersgill: Put what in the act?

Mr. Forrestall: An assurance as to what is to happen at the end of the two-year period. I will not go into it further at this time. I think the minister well knows what I am talking about.

• (7:20 p.m.)

The hon. gentleman is aware of the tremendous difficulty attaching to the shipment of goods from the maritimes to the western regions and from the western regions to the maritimes, as well as to the north. There is the problem of captive shippers. Quite frankly in respect of a captive shipper I think all shippers would be much better off if it were their decision to choose whether or not they were to be captive. It should be their choice and not that of the commission. In spite of the fact that the bill includes a broader definition of what a captive shipper is, it would seem to me on the surface that it would be much simpler and much more feasible if indeed the shipper himself, after recourse under this act, was able to elect whether or not he will be a captive shipper and come under the provisions and clauses in the act.

Just to refresh the minister's mind in respect of captive shippers, going back to 1963, shipments moving from the maritimes to western regions under class rates and non-competitive commodity rates in 1963 accounted for 70.7 per cent of all movements. Back in 1949 this figure was 76.3 per cent. It has come down only 6 per cent in the 17 intervening years since 1949. Again, within the maritime region, as pointed out earlier by the hon. member for Acadia (Mr. Horner), under these two particular classifications, first the class rates and second, the non-competitive commodity rates, the total amount of movement by any standard in 1963 at least was 55.8 per cent. In 1949 it was 89.6 per cent.

I suggest these figures are significant, Mr. Speaker, because they do point out the tremendous number of people in the maritimes who fall into this broad category of captive shipper. It is at this point that I am sorry the minister has left the house. He knew what I was talking about and perhaps that is why he left. It is because of the large classification of people and the fact that it is so substantially large as compared to captive shippers in the central region, and because of the impact that any change in the freight rate is going to have on this large body that I must reiterate the necessity of incorporating in the act in terms which are clearly spelled out and which leave no doubt in the mind, just what is going to happen in respect of the two year period of freeze on the present structure.

The study being done by the Atlantic provinces transportation group is not due before the government until January 1 of next year. Because of its complexity I am a little sceptical about whether or not they will have a final recommendation for the government by that time. Indeed, a more likely date would be late spring or early summer. Because of this, because of the lapse of time which will take place between now and the time this information is available to us, plus the fact that we now have the government asking for approval in principle of this new bill, and because of this lack of time which is going to lead to further uncertainty and doubts, I suggest that unless something is done at this stage in the passage of this legislation the effect of this bill will be of deterioration and of disadvantage. Further, it will throw obstacles in the way of all economic communities with regard to planning of projects and of production capacities. They will not know where they stand. No businessman is going to enter into expansion ventures of any magnitude when there is doubt and perhaps more than doubt as to the position of the railways.

Perhaps the government does not know what it is going to do. Surely that is not so. Surely we can get some assurances built into this bill, some assurance that will let people plan and which will let them program a project or a proposition on a sound economic basis. It is not enough at today's pace to look two years into the future. Industry needs much more time, much better information and much more solid information upon which to base its projected economic expansion and planning.

Another point I should like to mention is the maximum rate control. It is important to know the definition of a captive shipper, but what is more important is the manner in which the maximum rate is to be calculated. It has been said before, and I will repeat it, that until such time as the actual basis upon which cost is founded becomes a matter of public knowledge, public understanding and public awareness, there will always be misgivings and doubts. An immediate example of this is to be seen in that fact that for years and years people in the maritimes have been

wanting to know, for example, between Toronto and which city, Saint John or Halifax, the compensatory rates have been based. If they were based upon the port of Saint John, then the subsidies must have been quite expensive to move goods to the port of Halifax. If, on the other hand, the rates were based on the port of Halifax, then the railways must have made themselves a small fortune on the movement of goods to the port of Saint John.

This is not a factor but rather a symptom in respect of the cause of the concern and unrest in the minds of the shippers. I have always been dissatisfied with our position under the Maritime Freight Rates Act. Indeed it has deteriorated; it is not the best in the world. As a matter of fact it is one of the worst, but what is worse would be to let this legislation in its present form go through. As I have suggested it will throw out planning; it will lead to further erosion in the port of Halifax and indeed in Saint John and all the other areas east of the river ports.

• (7:30 p.m.)

We have heard a great deal lately about what has been done regarding the so-called lag in the development of the economy of the Atlantic provinces in contrast with the rest of the country. The present consensus would appear to indicate that while our primary industries will become more efficient and productive they will not employ a greater number of people, and that consequently our greatest hope for employing and retaining the substantial majority of people growing up, being educated and establishing businesses in the Atlantic region today lies in those means which will lead to a satisfactory atmosphere of expansion and development of secondary manufacturing industry.

The cost of transportation to and from central Canada is the principal reason secondary manufacturing industry in the Atlantic region has not developed at the same rate as elsewhere. So long as this country and its trade tariff policies remain constituted as they are—and I doubt if there is anybody who could seriously argue with this—the cost of transportation will persist as a major economic problem to Halifax and the Atlantic region. Indeed, I suppose this could be said to be the major problem in the port of Halifax.

When navigation on the St. Lawrence, the St. Lawrence seaway and over other transportation developments which have taken place in other regions of the country, hold no threat whatsoever to our export-import traffic, and if the principle of port parity can again be effectively incorporated in railway freight rates over land haul from eastern ports to central Canada, there will be an improvement.

The Maritime Freight Rates Act, as the minister knows, has no application to this type of traffic. We are freezing the Maritime Freight Rates Act, but we are not doing anything about this traffic. Indeed, it might be useful if the minister found an occasion to define clearly what are year-round ports, and if he were to bring back the principle of parity, declaring the port of Montreal and ports on the lower river, and coast to be equal. I am sure at that time the minister will find many friends in the Atlantic provinces, myself numbered among them.

The MacPherson royal commission called the Atlantic region an area of significant monopoly, and I have presented figures from the transport committee hearings of last year to substantiate that suggestion. One of the results has been a greater implementation here in the Atlantic region than in other parts of Canada of the several horizontal freight rate increases authorized during the 13 years immediately following the last war. One must consider that transportation has been and probably will be for many years much more intensively competitive in other parts of Canada.

It is difficult to believe that this development did not in some way have an adverse affect on the objectives of the Maritime Freight Rates Act. No government study so far appears to have considered this factor. It has been entirely overlooked. It is also difficult to believe that the objectives of the Maritime Freight Rates Act and the national policy it purports to implement do not require some revision, having regard to all that has taken place since they were originally conceived in 1947. No government study appears to have been made in this field.

It is true that extensive studies were made by the maritime transport commission prior to presentations being submitted to the MacPherson royal commission; but apart from the amendment to the Maritime Freight Rates Act in 1957 there appears to be little or no evidence that this excellent work received any attention at all, let alone the attention it merited.

Without reviewing it too extensively, the national policy for the Atlantic region, as

formally enunciated in 1927, was based primarily on the Duncan royal commission on maritime claims. The result of that was the passage of the Maritime Freight Rates Act, an act which sought to give statutory form and authority to certain of the conditions which, either implied or expressed, were nevertheless part of the agreement under which the maritimes joined with other British colonies to form Canada.

I am sure all hon. members have heard the words of Georges Etienne Cartier, and they are as worthy of repetition today as they will be in a thousand years. He said, and I read from a quotation to be found at page 956 of the committee reports for 1964-65:

> It is as evident as the sun shines at noon that when the Intercolonial Railway is built—and it must necessarily be built if that confederation takes place —the consequence will be that between Halifax and Liverpool there will be steamers almost daily leaving and arriving at the former—in fact it will be a ferry between Halifax and Liverpool.

He was referring to Liverpool, England, not Liverpool, Nova Scotia. You might well ask me the point of this quotation. It is simply this: When serious matters concerning shippers in the Atlantic provinces have been raised and when studies have been made of these problems by independent groups, particularly the maritime transport commission, and it appears that no attention has been given to them, the words of Cartier not only become less and less true, they become nonsensical.

What Cartier was saying in principle was true 102 years, less six days ago, and it will be true a thousand years from now unless the government does something meaningful to bring the standards in the Atlantic area into parity with the rest of Canada. I could go on and outline a particular case for the port of Halifax and the people of the Atlantic region, but I think my point has now been made. The government must give some consideration to the position of the shippers and industries of the Atlantic provinces. Hopefully it will bring forth an amendment which will give assurance in respect of our requirements, if business there is to prosper during the next few years. This would remove the threat which now exists because of a lack of knowledge as to what will happen at the end of this freeze period.

I am compelled to say that as the situation now exists, notwithstanding the stated assurances of the minister and the hope of assurances and recommendations that will come from a special transportation study, the minister must act to put these assurances in the form of an amendment to the existing legislation, before I can approve of this bill in principle.

• (7:40 p.m.)

Before the time at my disposal runs out, Mr. Speaker, I wish to make a few comments in regard to an area that has not been dealt with in any detail. Again I am sorry the minister is not here, because he could probably set my fears at rest. My remarks deal with the incorporation under this broad bill of the Air Transport Board, and the Aeronautics Act under which in part the Air Transport Board operates. The bill deals very briefly with what is going to be done in connection with the Air Transport Board. It deals with what will happen to the chairman of the board and the commissioners. It deals with the employees of the board, and so on, but it does not tell us anything at all about the act. In an earlier part of the bill it is suggested that the regulatory powers provided under the existing statute will simply be transferred. I am not sure what this means. I am not sure what will happen between the word and the actual fact. What is to be transferred? Will there be an opportunity to review the existing regulatory powers under the Aeronautics Act?

For example, Mr. Speaker, will this bill provide an opportunity for members of the aviation industry in Canada to step in forcefully and hopefully, at the invitation of the minister, to express their views on general aviation matters? Will an opportunity be given for them to assist the minister in the formation of policy in this connection? Indeed, does the minister envisage any change in the present act or regulations? When are we to get a general aviation policy? When are we to get a regional aviation policy? Are we to draw any inference from the general theme of compensatory principles? Are we to draw the inference from the bill before us that passengers on air lines will travel on a basis compensatory to the carriers?

In this connection, what is to happen with regard to building up air freight lines? In recent years steps have been taken in this area not only in Canada but througout the world, and it has been seen that companies with faith in the growth and future of the country may in these circumstances experience some lean years. None of these matters

are dealt with in this bill. We are left in vague, gray shadows in this regard. We are urged: Do not worry about it; everything will be all right. Members of the general aviation industry in Canada have not yet spoken out too loudly in this regard but I am certain that during the next 12 months—and I am sure it will not take that long to pass this mammoth piece of legislation before us, after a thorough discussion of its priciples—they will come forward with many questions of the minister. He could deal with these questions now, and set the minds of these people at ease, during our discussion of this bill.

Then, Mr. Speaker, what is the position with regard to appeal provisions in the bill? Under the existing regulatory powers appeals are held and dealt with in the final analysis in the minister's office. Surely nobody in the general aviation industry in Canada wants to appeal a matter to the minister's office and obtain a ruling under the act. However, the present act says that they must. In regard to every other form of transportation there is the right of appeal to a technical or legal board, but that does not apply here because the appeal is to the minister's office. Appeals taken in connection with other forms of transportation are not heard by the minister, and I hope these people are discouraged from running to his office every time they have a problem.

I ask the minister why this situation could not be changed and why something could not be spelled out in the bill to deal with these matters. The question of appeals alone has been the subject of many, many representations over a period of years. One of the major reasons for the hue and cry in the last ten years has been the lack of a definite regional and national air lines policy in Canada. Now that we have a transportation bill dealing in a broad way with these problems, why is this policy not laid down? Why must we wait until some vague, indefinite and unmentioned point in the future? Certainly this policy has to be changed. The present minister, and ministers before him, have assured this house on a regular basis, in response to questions from the floor and in reply to correspondence and inquiries from the industry generally, that we will get into this whole field of regional air policy soon. We have been told that we must devise a policy in this area. But now we have the bill before us and it contains nothing dealing with this subject.

Then there is the question of main line domestic policies. Are they to remain the same? Will the same bodies bargain for us in connection with international air line routes? Will they bargain for us for extended freight routes? When will we get around to dealing with the question of the Aeronautics Act, which is left hanging and vague in this bill? The only persons protected are the members of the present board, and there does not seem to be any concern for other matters in this connection. Clause 82 of the bill says:

> Upon the coming into force of Part I, a person who, immediately before the coming into force of that Part, was a member of the Air Transport Board becomes a member of the Canadian Transport Commission with like effect as though he had been appointed thereto under Part I on the day that he was last appointed to the Air Transport Board.

The same position will obtain with regard to the employees of the board. As I have said, the status of the chairman of the Air Transport Board is dealt with, and rightly so. But nothing else is spelled out; there is no indication of what will happen in other directions. Indeed there does not seem to be any great concern in this regard. In the field of private aviation there are many, many vital questions. Many of these questions deal with the utilization of privately owned aircraft, privately owned and operated airfields, the use of aircraft both private and commercial and the use of military airfields for commercial purposes. These are all matters under the purview of the Air Transport Board and the air services branch of the Department of Transport. They are important matters and many thousands of Canadians are vitally concerned with them; yet the minister has done nothing to explain to this important sector of our national economy, what it is intended to do, when it will be done or whether anything at all will change under this new bill.

One of the direct results of a lack of general aviation policy in Canada, particularly a regional air transportation policy, has been the extreme difficulty on the part of regional air carriers to provide an effective and economical service in the areas they attempt to serve. Again, here, the lack of further direction only tends to restrict them. It is difficult to plan unless you know under what authority and under what rules and regulations you are going to operate in the next few months or years. Without this knowledge this section of our economy remains at a disadvantage. Mind you, it has been at a disadvantage for a long time, but these regional air carriers are pretty stout

fellows who will probably button their lips for another few months. However, sooner or later they will rise and demand that the minister explain to them what their future will be.

• (7:50 p.m.)

This legislation has been promised to them for years. Now we have it and there is nothing in it. There can only be dismay, discouragement, bewilderment and wonderment over what the government is attempting to do. This is a broad and sweeping bill which deals mainly with railways. But railways are not the only communication media in Canada; these thoughts are very real in the minds of the regional air carriers, and they will bring those thoughts forward forcibly.

Mr. Speaker, in conclusion again may I urge the minister to give assurances and to spell out in clearly defined terms that the maritime shippers and the maritime industry will not suffer and will not be put at a disadvantage once this bill becomes law, and at the conclusion of the two-year freeze period.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, one has only to peruse Bill C-231 in order to arrive at the conclusion that a great many more questions arise from it than there are answers contained in it. It has been indicated in the debate today by a number of hon. members who have studied the bill and endeavoured to inform themselves to the best of their ability that they are left with a very significant question in their mind regarding their approach to this bill on second reading. It would be much simpler if the government were to refer the bill for study in the standing committee and allowed the experts in these various fields to appear before the committee, to enunciate their criticisms and express their views on how this bill can be improved,—if indeed it can be improved; some may believe it is perfect as it is. This would place members of this house in a better position to arrive at an informed conclusion on the bill. If the government forces hon. members to arrive at a definite conclusion without proper evidence being made available to them, it will place them in a difficult position.

I hope the government will not endeavour to get this bill through second reading before the standing committee has had time to consider the broad general philosophy behind it. If we are to leave shortly for the remainder of the recess with a clear understanding of what will happen in regard to a national transportation policy, then we should first send this bill to a committee for thorough consideration. I do not think that even if we spent the whole of this week debating this bill in its present form we would find ourselves in a position to make an educated estimation of its value. I hope the government will consider sending the bill to the standing committee before it obtains second reading.

I would now like to turn to some of the general questions which have arisen in my mind as a result of studying this legislation to the best of my ability in the short period of time available to me. First of all, transportation has always been of main concern in this country because our economy has evolved our trade patterns from east to west rather than from north to south. We in the maritimes or the Atlantic area are well aware of the complexities that will face us when this legislation is adopted.

The Maritime Freight Rates Act has dealt with the inequities in transportation which have developed between the maritimes and the central part of our nation. This act has been used to develop the philosophy of east-west transportation and to try to equalize transportation charges which must be borne by the people no matter where they live. The government is fully aware of the fears of the people of the maritime provinces regarding freight rates. I need only quote portions of an editorial which appeared in the Moncton *Daily Times* and which reads as follows:

> The new legislation enunciates manifold changes, among these some of marked significance in what has heretofore been long observed transportation rules and regulations governing not only the railways but steamship and other shipping operations, and the air lines. The three federal regulatory bodies which have jurisdiction over the respective phases of the nation's transport—Board of Transport Commissioners, Canadian Maritime Commission, and Air Transport Board—are planned for consolidation into a single agency to be known as the Canadian Transport Commission. This body will have seventeen members.
>
> Inasmuch as it is proposed to afford the railways greater measures of freedom from the presently governing rules and regulations, the Atlantic provinces in particular have especial interest in that important aspect of freight rate making. One of the proposed freedoms is that the railways will have more power in adjusting their freight charges to make these, where considered necessary, more compensatory.
>
> In the consideration of this new legislation and in that part of it relating to the terms of the Maritime Freight Rates Act, the members of parliament from the Atlantic provinces must hold the government not only to preserving the rights given this seaboard region by the Maritime Freight Rates Act

but to providing guarantees that there shall be no further erosions of such rights through blanket or any other type of increases in the freight tolls.

• (8:00 p.m.)

In the light of the sacrifices which the martime provinces have made toward maintaining the Canadian confederation in other ways, neither the government nor parliament should lose sight of such facts.

The Minister of Transport (Mr. Pickersgill) indicated a short while ago that we have a guarantee in the legislation that there will be absolutely no alteration in our rates for the next two years. For this, we are very thankful. I am sure that the fact the minister comes from the Atlantic area had a good deal to do with the recognition that fears must be allayed in the Atlantic provinces that the rights we have now will not be eroded in any way. I say to you, sir, there is another aspect which I should like to have the minister consider. It is the fact that if the government believes the Maritime Freight Rates Act is a fair act, a realistic act, in the development of a national transportation policy, should there not be the same consideration given to the Atlantic provinces in relation to other forms of transportation? I mention especially air transport and pipe lines which, for the first time, will be coming under the national act, as well as road transportation which we might as well admit has been a provincial responsibility up to the moment.

I believe that if the philosophy behind the Maritime Freight Rates Act is accepted by the government, then the government should indicate in this legislation, which to the best of my knowledge it has not done, that similar consideration will be available to the Atlantic provinces in these other fields, that similar recognition will be coming forward to the Atlantic provinces in connection with other forms of transportation. One result of such consideration may be that we would be able to progress at a much faster rate than is in evidence at the present time. Since I have been in this house, it has been obvious that transportation problems are at the core of many of our economic problems. It is in this field that we spend most of our time in our debates in this chamber.

I should like to mention only two or three examples. In Nova Scotia there is a good deal of discussion concerning the establishment of a second ferry between that province and the New England states. There is money being expended at the moment on the building of a causeway between New Brunswick and Prince Edward Island to form a more satisfactory link and to make the products of Prince Edward Island more accessible to the remainder of Canada. In New Brunswick, as well as in Nova Scotia, there is a good deal of discussion about the building of a road through the state of Maine, so that we would have greater access to the markets of central Canada, or Ontario and Quebec, if you would rather have the area described that way, since people in those parts of Canada do not appear to like being told they are from central Canada.

Our problems are basic, and harken back to the problems of transportation, the getting of our goods to markets at the cheapest possible rate. We have a new conception determined by the MacPherson royal commission, and put into legislation on two occasions by this government. The legislation is so complicated that it takes more than a week for a layman to understand it. The government however is asking us to give approval to the principle of this legislation before we really have a good understanding of what the legislation will do for us or to us. It is the latter part that we in the maritimes fear more than anything else. I mentioned earlier the Maritime Freight Rates Act, and the assurance was given by the minister that nothing would be done for a period of two years. This is very specifically set out in the legislation. However, we have no assurance about what is going to happen after the two-year period. In the maritime provinces, we feel a little leery about leaving it up to this 17-man board to make the decision on their own after this two-year period.

I would think a satisfactory alternative would be to have the recommendations made when that study is completed brought back to parliament so that parliament may be able to make the decision about what should happen at the conclusion of those two years. I think we in the maritimes would be much happier if we thought, before any final decision was going to be made at the conclusion of the two years, that parliament would have an opportunity to hear from the members representing that area.

I refer to another section of the bill which will be of real concern unless some assurances are given by the government. I refer to what will be section 329A of the act and which deals with eastern rates as they are defined here for eastern ports. Since 1960 there has been a freeze on these rates. They are, and have been, of assistance in maintaining business at our eastern ports. We want

something in the way of an assurance from the minister about what kind of decision is going to be rendered in the future on these eastern rates. We want an assurance that our ports are going to be maintained at the highest possible level.

One who comes from the maritimes does not have to live in either Saint John, New Brunswick or Halifax, Nova Scotia to appreciate that the level of prosperity in those two areas has a good deal to do with the level of prosperity in the whole of the maritimes. Naturally, therefore, we are anxious to know more about what will be done with those eastern rates in the future. There are so many complexities in this bill, so many things to which we do not have the answer and may not for some time to come, that I do not really believe it is fair to ask a member to vote now. I think the bill should go to the standing committee, where it would receive scrutiny which would be of benefit both to it and to a national transportation policy. Members would then be in the position of making an educated assessment of the bill and would be able to make a determination as to whether or not it should receive their support.

• (8:10 p.m.)

By asking members to vote now I think the government is placing them in the position of being able to vote only one way, and that is against the bill. I say that because it is much safer to vote against something with regard to which you do not possess all the answers. One should be in the position of making a sensible and realistic assessment, one which would be of benefit to the nation as a whole. I do not think that any member of this house is anxious to vote against any legislation. We are here to endeavour to produce the very best legislation which can be made available to the nation. We are not "agin" anything. We are for reform, for the kind of reform that is going to be of benefit to our nation in its development. But at this stage it is hardly responsible procedure to ask members to indicate their views about a piece of legislation as complicated as Bill No. C-231.

Let us take a look at the history behind this bill so as to realize how complex it is; that is, if we are to judge from the length of time which the government had the MacPherson royal commission report before it before bringing in this legislation. Indeed, Mr. Speaker, had this bill been before parliament prior to last week this nation might very well not have been faced with a rail strike. The government and the minister considered the policy such a complicated and difficult one that they not only presented one bill which was then withdrawn, but have allowed this bill to come before the house only at a time of national crisis. I am not at all sure when the house would have got the bill had it not been for the rail strike. It may very well be that the minister would have brought it in this fall anyway; this is what he indicated; but the minister having found it possible to prepare the bill and bring it before us while a rail crisis was in progress, I cannot for the life of me see why he could not have brought it in before the recess. Had he done so it might very well have resulted in a negotiated settlement between the railways and the employees, and thus averted the damage that has been done to the economy by the strike that ensued.

I hope that the minister, who comes from the Atlantic area, or I should say, to be more specific, who represents a constituency in the Atlantic area, will give consideration to developing the same kind of philosophy as that embodied in the Maritime Freight Rates Act in regard to the various other forms of transportation that are becoming so important to the economy of the Atlantic area. There is today a tremendous development in the handling of freight by the air carriers. Here again we are in the position of having almost a monopoly situation, certainly with respect to transporting our goods from any part of the Atlantic provinces to any other part of Canada outside the province of Quebec. Surely if the government believes in the philosophy behind the Maritime Freight Rates Act it should be doing something to see that our advantages are equalized in the carriage of air freight just as much as in the carriage of rail freight.

While as yet we do not have the great benefit of pipe lines, I am sure that these will come. There again the same type of philosophy as embodied in the Maritime Freight Rates Act should be extended to the operation of pipe lines. So far as truck transportation is concerned, it is our only alternative today. Since the bill is to regulate this form of transportation in the future, surely this legislation should once again give us the same kind of protection and provide the same kind of philosophy for highway transportation as it recognizes for rail transportation.

I hope that the result of this legislation will be of real benefit to the Atlantic provinces. I hope it will spur our development and that

we will progress at a faster rate than that evidenced at the present time. But I think it is too early to predict what this legislation will do. I do not think we have available to us the kind of educated opinion that we need in order to arrive at a sane and sensible conclusion. Therefore, I would ask the minister to give consideration to withholding second reading at the present time and to allowing the committee immediately to go to work on this legislation, so that members are able to make an assessment which is in keeping with the gravity of the legislation when it does finally come before the house for second reading.

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, the news of the introduction of this transportation bill in the House of Commons was viewed with a great deal of real exhilaration on the part of the citizens of Ontario, especially those of southwestern Ontario. They felt that at last there was at least a chance and an opportunity to remove some of the restrictions and regulations in the government's transportation policy which have seriously curtailed and throttled the industrial expansion of that particular area.

• (8:20 p.m.)

For years industry, chambers of commerce, agricultural leaders and citizens of the area had petitioned, pleaded with and had interviews with the various governments concerned, but all in vain. Now, at last, with the entire proposition brought forward before parliament for consideration it was felt that an opportunity would prevail for views to be expressed on this most important legislation. There is one sad aspect to this, however. There was a growing feeling on all sides, that from the manner in which the railway strike was being handled by the present government a crisis was being deliberately fermented that might bring forth a climate which would be opportune for the passing of such legislation with strong public support.

On listening to the presentation by the Minister of Transport, and the various speakers who have taken part in the debate of this, the second reading, the magnitude and complexity of the bill is very, very evident. Those who are directly affected have found much to be concerned about, both in the clauses that pertain to their particular industries, and to the very principles that were either just mentioned in passing, or not dealt with at all.

Surely the people in Ontario have a great deal to be concerned about. Those in the area

I have the honour to represent, who are engaged in industry, are very much concerned to know what is meant by this equalization of freight rates; to know what is meant by a national policy. The farmers in my particular area want to know whether this will have any effect on the subsidies paid on freight with respect to western grains. How will they fare under a new bill?

The truckers too, are very much concerned. Will the action taken by this government in this transport legislation have the effect of removing the contentious subsidies the truckers have opposed for years? Will this enable them to compete on a more equitable basis? Will this provide the climate for competition and expansion they have sought for so long? Will this indeed be a national policy that will work toward the interests of all?

I was very much impressed when I heard the various participants in this debate talk of a national policy. Some expressed concern that this policy might break down into regional areas. Various members spoke of a particular problem that is of direct concern from a regional point of view.

Here in Ontario, and in Quebec, Mr. Speaker, how can we be expected to take any other course of action than we have, when we hear the suggestion that freight rates presently in operation, that is to say, government regulations in effect in the maritimes, will be untouched, that government regulations of direct concern to western grain producers will be untouched; that regulations concerning the Crowsnest pass will remain untouched?

When we hear this sort of thing being elaborated, when we hear the minister and various members of the government alluding to this bill as one which will enable the railways to be placed in a competitive position, one that will once and for all enable the railways to charge rates that will place them on an economic footing, why should those of us in Ontario and Quebec not become concerned?

We want to know where the money is to come from. We heard that the government at the present time is paying $100 million in subsidies. We heard that the increase in pay to the railway workers conceivably could add up to $30 million. We understand from the railway representations that the railways need more money in order to operate in the black. We are getting an uneasy feeling, Mr. Speaker, in Ontario, and I am sure in Quebec also, that if there is to be little change in the

maritime freight rates, if there is to be little change in the rates for the western provinces, any increase the railways may be allowed could conceivably come from Ontario, Quebec and British Columbia. If this is so, Mr. Speaker, certainly it will add a tremendous burden to every segment of industry in those areas I have mentioned. We begin to wonder if this money will come from us. Where is the money to come from? Where are we to get the needed additional revenue?

Mr. Pickersgill: I wonder if the hon. gentleman would permit me to ask him a question.

Mr. Danforth: Certainly.

Mr. Pickersgill: I would be very interested to know whether, in expressing these fears, the hon. gentleman was speaking for his party?

Mr. Danforth: I think the minister knows, from long experience, that each member of the Conservative party is well able to speak for himself. I am speaking on behalf of the people I represent, who belong to an area, I think, that the minister has completely forgotten about. May I elaborate on that particular area, to give the house an idea of what I am talking about? We have been discriminated against. Certainly the Minister of Transport must know this. That is so partly because we are in the very centre of Canada, and partly because we are in that projection of Canada that juts down into the United States. As a matter of fact we are almost on the same parallel as New York city.

Because of this, the freight rates that we have to contend with are somewhat different from those prevailing in other parts of Canada. The area I refer to is comprised of five counties. In those counties, the value of agricultural and manufactured goods annually shipped is in excess of $1,250 million. The materials purchased in the area and shipped in represent a value of approximately $900 million. The annual payroll now exceeds $300 million. The number of employees is in excess of 80,000. This is the area that I assure the minister I am very much concerned about.

Why am I concerned, Mr. Speaker? What are some of the inequalities I speak of? Because of our geographic situation we are subject to two different types of freight rates. Anything we ship to the east is on the pound per mile shipping basis. May I give an example of what this means? When we ship 100 pounds of freight first class, let us say from Windsor to Halifax, the rate is around $4.15. The rate from Montreal to Halifax—Montreal is approximately 600 miles closer to the port of destination than Windsor—is approximately $2.59 less. We appreciate why this should be so. It is because Montreal, as I say, is 600 miles closer to the coast.

• (8:30 p.m.)

One would think that in shipping to the west we would have the advantage; but when shipping westward we are included in a zone which stipulates that goods shipped from Windsor to Winnipeg shall be subject to a rate of $5.89 per 100 pounds, though from Montreal, which is 600 miles farther east, we find that the rate is exactly the same. Why would industry be encouraged to establish itself in southwestern Ontario when by moving to Montreal it could get half the rate when shipping to the east and the same rate when shipping to the west? This is one of the inequalities of which I spoke.

Again we find ourselves handicapped when it comes to farm products, because of the policy laid down by the government. In our area there has been a tremendous expansion in the production of feed grain. Here, too, we are encountering a penalty. We find that when shipping to the maritimes we are penalized to the extent of almost $20 a ton compared with shipments from western Canada, and we see no reason why this should be so. When shipping to our traditional markets in the east we do not see why we should not be accorded a rate at least comparable to that given to the west.

These are some of the thoughts which occur to most people in southwestern Ontario. They know this is bound to be a complicated bill establishing a national policy. But they are uneasy. They feel that once more they will be asked to carry more than their fair share of the burdens of the transportation system.

Like many members who have spoken before me I had been hoping that the government would refer this bill immediately to the standing committee on transport. There is no question that such complicated legislation needs the best expert advice from whatever source. I had hoped the government would avail itself of the invitation to set up the committee immediately. I am asking the government now to entertain submissions which may be brought before such a body. Various

segments of industry, including heavy industry, manufacturing, agriculture and trucking, not to mention the chambers of commerce and municipalities in the area which I represent, will wish to have the opportunity of placing their views before such a committee.

They would like to explain why the treatment to which they have been subject in the field of transportation has worked such undue hardship. These are the people who are likely to be asked, when there is any increase in the rates, to bear the economic burden and certainly they have a right to place before the committee any aspect of their understanding of the effect of this measure.

Mr. Pickersgill: May I ask another question? Is the hon. gentleman not aware that it is the intention to give all interested parties the fullest opportunity to be heard before the committee when the bill is sent there?

Mr. Danforth: I wish to thank the minister for that statement, and I am certain he is sincere when he gives me that assurance. However, I cannot help remembering other occasions when delegations found the greatest difficulty in making their wishes known before committees set up by this government.

In the light of that assurance from the minister I will certainly convey to interested parties in my own area the understanding that an opportunity will be afforded them to make presentations before the standing committee, and I am sure they will avail themselves of this opportunity.

As I have said, this is complicated legislation, legislation which must deal with the needs of the nation as a whole. It is to be hoped that, when the bill finally passes, the citizens of Ontario and Quebec will be satisfied that they are not bearing more than their fair share of the cost of the development of a policy which will place Canadian transportation on an economic basis of operation.

Mr. Robert McCleave (Halifax): I should like to say a few words to the house, more particularly perhaps to the Minister of Transport (Mr. Pickersgill) and to the Minister without Portfolio (Mr. Turner) who is basking at the feet of the old master. I said that slowly, Mr. Speaker, so that I would not fall into the trap into which the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) fell the other day by saying the wrong word. Perhaps before leaving the Minister without Portfolio, who is learning his lesson in excellent fashion for the warfare he faces in the days ahead with the Minister of National Defence (Mr. Hellyer), I should ask whether the Minister of Transport is also giving singing lessons.

When I first read the bill which is now before the house I was pleased with the provision dealing with the Maritime Freight Rates Act and term 32 of the terms of union of Newfoundland with Canada. Since then I have had some second thoughts because, really, we are dealing with two main transportation problems, not with one, and I would much prefer to have seen the whole national transportation policy spelled out, including those provisions dealing with Atlantic Canada rather than wait until some future time for special provisions dealing with Atlantic Canada to be written in.

This is the reason for my concern. As I say, there are two problems. There is the matter of effective and efficient transportation as related to manufacturing in Canada. Then there is the question of transportation as it affects our exports and imports.

In the second field, as a representative of Halifax I am bound to be concerned about the competitive position of my own area as compared with the competitive position of other areas, and I think the present bill may be defective in this regard inasmuch as it fails to come to grips with some of the problems of real concern to the area I represent.

• (8:40 p.m.)

There are certain developments in the field of winter works, for example on the St. Lawrence river, with which this bill cannot deal and yet which are vital in consideration of a national transportation policy. These developments are with us now. These specifically are the decisions of two conferences, the Canada-United Kingdom freight conference and the United Kingdom-Canada freight conference. They sound like tweedledum and tweedledee, but they are perhaps two sides of the same coin which are pressing for all-out winter navigation on the St. Lawrence river. Unless some measure is brought in to check this, the ports of Halifax and Saint John will be a matter of serious economic consequence to the Atlantic area. By the time these transportation studies are brought in the damage may become permanent. So, while I welcome the thought of the minister turning toward a national transportation policy—and I think he will recall that

I made that point, although it was rather an unpopular one, to many of my constituents during the emergency debate on the St. Lawrence seaway tolls—the national policy is not complete, because the Atlantic aspects of it are left out in the cold. I should like to express my doubts to the Minister of Transport and the Minister without Portfolio to the government, to the house and to the country as a whole.

I wish to deal briefly with one point and then get to the meat of my remarks. The port of Halifax commission has suggested to the minister I am sure over and over again that the only formula which can solve the problem I have just mentioned is to equalize the cost to the shipper of transportation between all Atlantic ports and the St. Lawrence ports. To carry out these purposes, I suggest that the Leader of the Opposition made a very sensible observation some weeks ago when he suggested that a high speed railway line be built diagonally across the province of New Brunswick. This should improve things for the ports of Halifax, Saint John and other maritime centres, as well as Newfoundland, and feed products into central Canada by a shortened and faster route.

The second problem has to do with the manufacturing business in Canada itself. Here I am going to present the results of two very thoughtful studies carried out by Professor Roy E. George of Dalhousie University, a man with experience as an area manager in the British coal Industry before coming to this country. He was a professor at St. Mary's University in Halifax before going to Dalhousie University. Professor George also has been commissioned to do special studies on Atlantic problems for various bodies. His points are germane to the problems of transportation.

Professor George's first study concerned the elements of costing of firms if they established in Atlantic Canada as opposed to firms established in central Canada. His findings have equal relevance, I suggest, to the prairie provinces because he was equating operations in central Canada against those on the periphery of the country. Instead of tackling this in a very theoretical way, Professor George tackled it in this manner. He found there were 27 firms which had manufacturing plants both in Nova Scotia and either Ontario or Quebec. This was in the year 1962. He wrote a series of communications to these firms to find out whether or not they would be interested in taking part in his study. Eighteen of those firms, or exactly two-thirds, replied that they were interested. So he proceeded, either by questionnaire or by seeing their executives directly, to ask questions so as to compare the various elements of costing.

I might say for the benefit of the minister that if he is not familiar with this study—and if he is not I will be pleased to provide it for him or any official in his department—that there were a number of factors involved such as labour, productivity, cost of the material, and other items; but for the purpose of this debate I shall confine myself to the study which relates to transportation. Of the 18 firms which co-operated in the study the breakdown is as follows: In the food group, two; in the metal group, five; in the chemical group, six; and in the miscellaneous group, five, making a total of 18. The value of their output per annum was as follows: In the food group, $1,500,000; in the metal group, $5,900,000; in the chemical group, $72,200,000; in the miscellaneous, $8,400,000 or a total of $88 million.

Of the various questions Professor George asked, one asked for the cost of materials to Nova Scotia factories as percentages of cost of similar materials in Ontario or Quebec. I repeat that here his figures were obtained from companies which had factories in Nova Scotia, Ontario and Quebec. The cost of materials to the food group was 105 per cent, to the metal group 104 per cent, to the chemical group 104 per cent and to the miscellaneous group 100 per cent. In respect of all firms the average cost of material to Nova Scotia factories as compared to factories in central Canada amounted to 102 per cent. You will notice, of course, the disparity.

Then he asked for the transportation cost in supplying all existing markets entirely from Nova Scotia, expressed as a percentage of the cost of supplying entirely from Ontario or Quebec. Perhaps the minister could cease his conversation long enough to listen to these, Mr. Speaker. These are the transportation costs involved in supplying all existing markets from Nova Scotia, expressed as a percentage of the cost involved in supplying entirely from Ontario or Quebec. In the food group it was 125 per cent, in the metal group 160 per cent, in the chemical group 141 per cent, and in the miscellaneous group 103 per cent or, for all firms, an average of 125 per cent.

Professor George makes this observation:

Taking all the firms together, had all existing markets been supplied from Nova Scotia, trans-

portation costs would have been about 25 per cent higher than if those same markets had been supplied from Ontario or Quebec.

As transportation costs in the typical Nova Scotia plant made up 3 per cent of all its costs this increase would have inflated costs by about three quarters of one per cent.

• (8:50 p.m.)

These findings in themselves perhaps do not indicate that transportation is an alarming factor so far as dollars and cents are concerned, though the figures would be startling when one considers percentages upwards of 125 per cent.

In a second study by Professor George, carried out a few years ago, entitled "An inquiry into why the Atlantic provinces so often lose out to Quebec and Ontario in the battle for new industry", he made a sampling of 349 firms which had set up manufacturing plants in either Quebec or Ontario between 1959 and 1962. Perhaps I should say parenthetically that about 60 per cent of new manufacturing plants continue to be established in the industrial areas of the two central provinces.

Professor George found in his study that of the 349 firms, 279, or 79 per cent, had considered one province only, and that happened to be the province in which the new plants were actually established. He found that 56 firms or 15 per cent had considered both Quebec and Ontario but no other province; that 16 firms or about 5 per cent of the total had considered provinces other than Quebec and Ontario, nine of which considered western provinces and seven of which considered Atlantic provinces.

The professor looked for the reasons these firms ignored the possibility of establishing in provinces other than in central Canada and most of the firms supplied these reasons. The first factor against locating outside the central Canadian region was the cost of transporting the finished product to the customer, or as the professor puts it:

The cost of bringing in materials and transporting the finished products to their markets figured very prominently. This seems to be the main competitive disadvantage of the outlying areas and the one which governments which seek to influence the location of industry have to overcome.

Part of the reason relates to a psychological factor because people look at transportation in a very general way without delving into the situation to discover the disadvantages which one would not encounter when locating a factory in Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, the prairie provinces and British Columbia as opposed to central Canada. Nevertheless, the transportation factor has a leaverage effect and, small as it may be, influences the decisions of executives in the location of new factories.

Let me point out again that these studies on transportation, helpful as they are and necessary as they may be, do not take into account a large part of the transportation problem which is so vital to Atlantic Canada. To have an effective national transportation policy, Atlantic Canada and its needs must be considered as soon as possible. Following the period of freeze we may find that some of our problems are solved, but that other problems have grown and become almost insurmountable.

Mr. E. Nasserden (Rosthern): Mr. Speaker, in rising to take part in this debate I cannot help but recall the smile on the face of the Minister of Transport (Mr. Pickersgill) when he rose in this house with an assumed spirit of meekness to introduce this measure, in the hope that it would receive co-operation from all sides. Many years ago we on this side recognized the need for a national transportation policy in this country.

The minister referred to the fact that members in all parts of the house were responsible for the failure of this government to do anything about this matter during the last three years. I recall vividly the statements made by the minister in the house and across the country because in the course of a few months we had not acted on the initial MacPherson commission report. In contrast to those statements the minister paid tribute to the Leader of the Official Opposition (Mr. Diefenbaker) who, as prime minister, set up the MacPherson commission to study railway problems. Surely that is in contradiction to the many views expressed by those members when on this side of the house in criticism of the establishment of commissions set up to ascertain certain facts regarding problems facing this nation.

It is gratifying to see the Minister of Agriculture (Mr. Greene) in the house during the course of this discussion, because nothing is more important to those engaged in agriculture than transportation costs. Certain provisions of this bill will affect the costs of producing many things in Canada, but to a greater extent will affect the cost of agricultural production. This is more important because the increased costs faced by the agricultural industry as a result of certain

provisions in this bill cannot be passed on to someone else.

Transportation needs in this country have changed during the last several years, since the MacPherson commission was set up and since it presented its report, and this is particularly true of western Canada. Many of the rail lines which were designated by the companies as nominees for abandonment have proven to be worth while, and I am sure that the railway companies would hesitate at this time to proceed with these abandonment plans.

The great change that has taken place is only the forerunner of the change which will take place in the next few years. That is particularly true of the province of Saskatchewan, where there have been new developments in the production of minerals of one kind and another.

• (9:00 p.m.)

We cannot help but view this legislation not only with an eye on the effect it will have on our industry today but on the effect it might have on the industry we hope to have tomorrow. The title of the bill is, "An act to define and implement a national transportation policy for Canada", and no one will quarrel with that, "to amend the Railway Act and other acts in consequence thereof"—this will depend upon the amendments that are brought forward—"and to enact other consequential provisions." Knowing the Minister of Transport (Mr. Pickersgill), whose "other consequential provisions" are what bother me, because if they are not spelled out so that it is very clear for everyone to see, we in western Canada and on the prairies cannot help viewing with some concern a measure as vague as this.

The bill contains a clause referring to the Crowsnest pass rates and the minister has given us the assurance that these rates will be protected for western Canada. As I read the new sections 328 and 329, whether the minister really means what he said in this regard is a debatable question. I cannot help but remind him, as I suppose he has been reminded before in this debate and on other occasions also, that the Crowsnest pass rates are looked upon in western Canada as part of the Magna Carta of confederation, and we do not want to see written into any statute of this parliament legislation that will place these rates in a position where they can be eroded two, three, five or ten years from now when someone may come along and say that the basis of the rates has been changed and such-and-such action will be taken. I know there are those in the maritimes who look upon the Maritime Freight Rates Act in much the same way.

Looking at this bill and the explanations the minister has offered in regard to it, I should like to make the following comments. The minister referred to the subsidies which the royal commission recommended. They are three in number. I need not rehash them for the benefit of members of the house. The explanation goes on in this way:

> The present bill takes into account many representations received in regard to these matters. In place of the three special subsidy funds, it provides for a transitional subsidy to the railways which will start at approximately the present level of railway subsidy payments, namely, $110 million per year; and commencing in 1968 will decline at the rate of 12½ per cent of the present subsidy each year.

It does not say when this decline is going to end.

Mr. Pickersgill: It is a simple matter of short division, Mr. Speaker. It is eight years.

Mr. Nasserden: That is what worries us in western Canada and the prairies at the present time, because this freedom the minister seems so anxious to give to the railways can mean only one thing in dollars and cents for us, and that is increased costs for those of us in the part of the country which is so dependant upon agriculture for a livelihood. We are what I would call a captive industry because we have to speculate on a government in power at the present time that does not seem to do anything about the prices farmers receive for their products, at a time when farm costs are rising as they have never risen before.

This is a government that promised the farmers of western Canada that they would do something about the price of grain, not only wheat but other grains; yet on every occasion when the opportunity to do something in this regard has presented itself, they have failed utterly to do anything. We have seen the minister and some of his colleagues laugh this off as an election promise. This is one of the reasons we would like to see written into this legislation assurances that will be more than the fact that in eight years time the costs that go into producing the products of the farms in western Canada will have been increased by more than $110 million a year. This of course applies right across Canada.

Mr. Pickersgill: Mr. Speaker, I am sure the hon. gentleman does not want to misrepresent the situation. I did explain in my speech that a considerable part of these subsidies would in four or five years time be replaced by the specific subsidy in relation to branch lines that were retained and by another subsidy in relation to any passenger services that were retained. So that all subsidies are not going to disappear under this legislation. But we do think that the subsidization of railway wages is itself a very inflationary measure that adds to the costs of farmers and everybody else, and it is a tendency that ought not to be encouraged.

Some hon. Members: Hear, hear.

Mr. Nasserden: I see that the minister obtained some applause from that side of the house for his intervention. The only difference is that a subsidy is shared all across the nation when the charge is written into the law. That is why we are concerned about this legislation, because in the past we have seen the centralization of industry in certain areas of Canada at the expense of other areas. We saw this particularly in the years prior to 1956.

We in western Canada, and I believe this applies also to those in the maritimes, believe we are also part of this nation. We want to be able to build industrial plants in our areas as well, and we want to build those plants not only because of the wealth they will bring to our own areas but because they will help to sustain a population that will enable us to cut the cost of services to the people we have in the less populated areas of the country as compared with the more heavily populated areas along the St. Lawrence river basin.

In his summary, on page 4 the minister also referred to the so-called bridge subsidy across northwestern Ontario of $7 million a year. He said this would take place over a three-year period. I will leave that matter for other hon. members to deal with. I was very interested in one statement the minister made in introducing this bill. I found his speech most interesting. I say that for the benefit of the Minister of Agriculture (Mr. Greene) who is smiling. As reported at page 7988 of *Hansard*, the minister said:

> I have the impression that something the Prime Minister (Mr. Pearson) said in connection with another measure might be appropriate. I am not going to quote him, because that would be against the rules, and I have forgotten his exact words, which is even more inhibiting. However, I believe I remember the sense very well, and it was this, that there were some things that could be done in a crisis that could not be done in ordinary times.

We also saw those headlines in the newspapers prior to the strike, and one cannot help wondering whether this government wanted the strike in order to bring in railroad legislation that was unpalatable to many people in this country.

Mr. Pickersgill: Mr. Speaker, I am sure that the hon. gentleman on reflection will wish to withdraw that kind of imputation against any member of this house. I am sure he does not think that anyone in this house wanted to face the calamity of a railway strike in this country if there was any possible way of avoiding it.

Mr. Nasserden: I might agree that no one would like to face that calamity, but one cannot help drawing the conclusion from what we have heard and seen from this government that they viewed with a sense lacking alarm the possibilities that might accrue from such an eventuality, provided they could get it over with in a certain length of time. I think that is a poor recommendation for a piece of legislation as important as this particular measure now before us.

• (9:10 p.m.)

The minister has been asked whether he would consider allowing this bill to be sent to a committee before receiving second reading. I do not know whether or not he has changed his mind in that regard. He shakes his head that he has not. I believe there is a very good reason for sending this legislation to a committee before giving it second reading because I am of the opinion that substantial changes might be proposed after the committee has had an opportunity to study it. After all, and in the minister's own words, this is perhaps the most important measure ever to have come before parliament. The minister will not suggest that it is not important.

Mr. Pickersgill: Mr. Speaker, I do not think it is the most important measure ever to have come before parliament. I am much more modest than that.

Mr. Nasserden: This is a modesty that frightens hon. members on this side of the house. We know the minister attaches a great deal of importance to this bill. I believe that to begin with he called this measure a revolutionary one. That was a year or two ago, at a stage when it was just hatching. There is no question, Mr. Speaker, that this is one of the most important pieces of legislation ever to

have come before this parliament, in view of its economic consequences in every part of this nation. This measure will affect people in every part of Canada and it will change the complexion of many of our communities.

Mr. Speaker, this legislation also deals with pipe lines. Recently we have witnessed the spectacle of the Energy Board approving the setting up of a pipe line which has been vetoed by the government. Many people in this country think that this decision will cost the consumers of gas in Ontario and Quebec several extra cents per cubic foot. This is one case which leads us to think that when this bill is sent to a committee which has been given the chance to hear representations and to consider them in the light of today's conditions, recommendations may be made amending certain clauses.

I should like to say a few words regarding rail rationalization. I know that there might be one or two railway lines which are uneconomic and can be abandoned. I believe that this has already been done by some of the railways as a result of the unkempt conditions of parts of the tracks. I know of one or two rail lines that were designated for removal in the area I represent, and yet I feel that these lines have been essential for the delivery of grain over the past few years.

This matter raises another question, and that is the effect which the removal or abandonment of lines will have on individual producers in the prairies. The Crowsnest pass rates are supposed to be the Magna Carta of confederation. The first settlers in those areas endeavoured to make Canada the grain bin of the empire, on the understanding that the Crowsnest pass rates would prevail. Now we are facing the prospect of the government, or a commission, taking that right away from them. I wonder whether there is some provision in this bill which would recompense these people for the losses they must bear.

Mr. Pickersgill: I should like to ask a question of the hon. member, for my information. Is he seeking, by the statement he just made, to imply that under this legislation the Crowsnest pass rates will be changed in any way? The fact is they are not altered in any way under this legislation, and this government has no intention whatsoever of doing so or of supporting any alteration of them in any way whatever.

Mr. Nasserden: Well, Mr. Speaker, I accept the minister's assurance, but the fact remains that regardless of whether the Crowsnest pass rates are altered or not, when a rail line is abandoned the farmer has to haul his grain perhaps 40 miles instead of 7 or 8, as a result of which his costs are raised, because of an action taken by the government of Canada. There is no question about it. The minister laughs. This proves that the minister never in his life hauled a bushel of grain.

Mr. Pickersgill: I hauled grain before the hon. gentleman was born.

Mr. Nasserden: I would hope there was some progress in every generation.

Mr. Pickersgill: I did not have a truck to do it with either; we had horses.

Mr. Nasserden: I was wondering whether it might not have been in the days of the oxen.

I do not wish to take up any more time of the house. But I do bring to the attention of the minister the fact that people in the farming communities of western Canada are not happy with the prospect of having to haul grain 40 miles instead of 7 or 8 miles.

The minister mentioned that improved roads might take the place of rails. I hope this meant that the federal government or the proposed transport commission will be prepared to enter into agreements with the provinces in those areas where lines are abandoned to provide for the construction of better highways, which would take the heavier load which will be placed on them owing to the abandonment and dislocation of certain railway lines. I want to assure the minister that western Canada is not as unreasonable as some newspapers have indicated in the last few days. We know the budget of the railways has to be considered; but nowhere in this bill is it stated how the railways are to find the money to pay the increased costs.

Mr. Pickersgill: The hon. gentleman seems to agree with the president of the C.P.R.

Mr. Nasserden: This might be the first time. After having seen the transformation which took place following the discussions between the great champion of the farmers of western Canada, the Minister of Agriculture (Mr. Greene), and the president or maybe the vice president of the C.P.R., I am glad to announce to you, Mr. Speaker, that I have not had any interviews with the president of the C.P.R. and I will avoid having one with him.

I was about to conclude when the minister's intervention distracted my attention. I spoke of our hope that the federal government or the proposed transport commission will provide some assistance in the construction of highways in areas where railway lines are to be abandoned. This would only be fair, in view of the importance which the people in western Canada place on Crowsnest pass rates. I therefore hope the minister will allow this bill to be studied in committee before second reading. I am sure that there may be some amendments. The minister admitted that there has been some haste with regard to the preparation of the bill, and it seems that would be the proper course to follow.

• (9:20 p.m.)

Mr. Lawrence E. Kindt (Macleod): I shall not speak too long on this particular bill, Mr. Speaker, but there are some things which I have been hearing in the west which I should like to place before the minister. I just came from there, landing here tonight about 7.15. I feel I should put these matters on the record, and I am glad of this opportunity to do so.

First of all, I should like to refer to branch line abandonment. Some time ago I attended a meeting at Glenwoodville, southwest of Macleod. The hall was filled. The meeting was concerned with the abandonment of the line from Glenwoodville to Cardston. The people were worried or the hall would not have been filled. They were worried about what a railroad bill might do to them. I see the minister is laughing, but I shall take him to task before I am through if he does not take that laugh off his face. This is no time to be laughing. This is a serious matter and it is dead serious.

The people at that meeting were greatly exercised about what would happen to their line from Glenwoodville to Cardston. The agent for the Canadian Pacific in Lethbridge let word slip that this line was one slated for abandonment. This was the reason for holding the meeting. Even the Hutterites in that area, people who seldom attend meetings, were out in force. The meeting organized an association to present their case at the proper time. I suggested this course to them and told them they should get their brief prepared. I am sorry the former minister of finance, the hon. member for Davenport (Mr. Gordon) has left the chamber because he has done many cost studies. I wonder if the Minister of Transport ever made a cost study? I wonder if he ever had to work on a study and set the capitalization for a corporation? I wonder if he would know how to do it, if he were charged with the responsibility of this commission that is being set up?

In other words, this legislation is expecting the commission to do costing work which they are not able to do. I doubt if there is anyone in this room who can do a capital study or a proper costing study for a railroad. I have made many costing studies for railways and other companies. I do not hesitate for one minute to say that, whatever costing studies are made by the officials of the Canadian Pacific, they will not be acceptable to those upon whom the decision about abandonments is to be placed. Upon whom are you going to depend? You may call it rationalization, but before you can rationalize you have to have some figures. What rate of interest are you going to charge in your costing study? Are you going to charge 1 per cent, 5 per cent, 2 per cent or 6 per cent? I will tell you this much, you can make any branch line in this country appear to lose money by charging 6 per cent or 7 per cent interest. This commission has got to decide the interest rate to be charged in a costing study. Is the minister prepared to stand behind some fictitious interest rate that may be pulled off the shelf, and applied, to show whether a branch line needs a subsidy or whether the rails should be pulled up and the line abandoned? Legislation predicated upon that type of approach will never satisfy the people of Canada because it just cannot be done.

All you have to do to satisfy yourself about that is to talk to the Board of Transport Commissioners. I had many opportunities of talking to them when we were dealing with the disruption of passenger service between Medicine Hat and Lethbridge and between Lethbridge and Calgary. The Canadian Pacific ran a little car up and down that line, you know. They said they were losing money. We challenged the figures presented by the railway company. We asked them to let us in on how they made their computations, what their interest rates were and what capitalization they took into consideration. Did they take into consideration also all of the subsidiaries that had been set up by Canadian Pacific? Had they drawn off all the money and put it into other things? Were the income and capitalization of these subsidiaries taken into consideration in calculating the

capital structure or computing the interest rate? No, not on your life.

The lawyers appearing before the MacPherson commission for the Canadian Pacific argued that the hauling of grain or the hauling of any particular commodity should rest upon its own feet. It should not be considered a part of that great transportation system. They wanted to calculate the interest rate and capitalization of the particular equipment the Canadian Pacific used in transporting that grain or that particular commodity. Now, those are the fallacies basic in this legislation, and the minister should know these things if he knows anything about costing.

I will tell the minister what is going to happen. The commission will get a great many figures which neither they nor anybody else will understand and, in the end, they will have to guess. This is what will happen in connection with the abandonment of lines. They will not fool anybody. This legislation is going to force the commission to do just that. I say that it is bad legislation when you place any honest, government workers in a position of trying to bring together these figures. They can prove what they have done in the way of costing, and you can see it all. Somebody else can make the same calculations but the answers will be vastly different. In all probability, with different costing the railway might pay. It depends on what their pre-conceived notion is.

I have done costing studies on the cost-benefit ratios connected with flood control on some of the big projects across the line. Congress used these studies to decide whether or not the projects would be undertaken. The cost-benefit ratio means a consideration of the costs that go into the project as related to the benefits that would come out of it. I have done lots of these studies and I can say to the Minister of Transport that you can make these studies biased in any way you want.

Mr. Pickersgill: Is that what the hon. gentleman did?

Mr. Kindt: Never mind what the hon. gentleman did. I followed the basic pattern. I will tell you this, that when they were finished I do not care what member of parliament or what congressman looked at them, he could not understand them. I am honest about that. It is too complicated for the minister to understand or he would not laugh. It is too complicated for the average citizen to understand. Unless you are a trained accountant, unless you are schooled in costing, you would not be able to get the basis of the criticism of the figures which the commission would put forward. The minister can say that these are the best we can possibly get and that we will base our decisions upon them; but those who are familiar with the situation know full well that the results which have been produced are not worth the paper they are written on.

• (9:30 p.m.)

I say this, Mr. Speaker, in all seriousness. There is a place for cost accounting. Let it not be said that I am throwing cold water on cost accountants. But the cost accounting required for the railroads is very elaborate; and even though you do the best you can it will satisfy no one—unless, perhaps, the minister.

This particular legislation permits greater freedom to the railroads to set rates, a matter which is worrying the people of western Canada. I have just come from there, and those who have not been harvesting and have been reading the newspapers realize the problem. They see that something is hidden behind the smile of the Minister of Transport. He can shake his head in denial, but we have seen that head shake before and are not fooled.

In all seriousness, Mr. Speaker, this legislation will permit the railroads to set rates in competitive areas. In this regard the wording of the bill is vague. I was not satisfied by the answer given me by the minister the other night on the question of coal shipments. No competition exists in rates between the Crownest pass and Port Moody. The C.P.R. charges $5.30 a ton to transport coal from the Crowsnest pass to Port Moody, from where it goes to Japan. That, incidentally, was a recommendation of mine which was followed by the government and put into effect. Initially it cost $4.50 a ton subvention to send coal to Japan. Since then, because of a change in the value of the dollar the subsidy is down to $2.73. The coal miners and operators in the Crowsnest pass want that subsidy removed, whenever economically possible. If it were removed they could step up production of coal from 800,000 tons to a couple of million tons and export it to Japan; and the Japanese would buy it.

When these coal shipments to Japan were negotiated and a subvention placed on the shipments, our original thought was that perhaps after one year, two years or even five or six years the C.P.R. would run a commuter train from the Crownest pass to Port Moody, in a similar fashion to the commuter trains in

the United States, and lower their rates to almost half the present rate of $5.30 a ton. So the thought originally was that this enterprise would be able to stand on its own feet.

The proposition then was that the C.P.R. would cut $1 or perhaps $1.50 off the rate. The loading service at Port Moody would cost a little less, the shippers of the coal to Japan, whether in Japanese bottoms or somebody else's, would reduce their rates slightly; and perhaps the Japanese would pay a little more for the coal, in which event the shipments of coal to Japan, which keep hundreds of people in the Crowsnest pass employed, would be able to move forward without any government subsidy. This is what the miners and operators want, but they are now being held back owing to the failure of the C.P.R. to consider putting on a commuter train. They load a car of coal at Coleman which will then sit on a side line, to be hooked on to a train of mixed freight, at some indefinite time later, and pulled to Port Moody.

A boat at Port Moody may be waiting to load coal, but the coal shippers are required to pay a demurrage charge for the delay, which runs to about $2,000 a day. These are matters the operators are up against in shipping coal to Japan, and that is why they are asking the C.P.R.,—which above all should be willing to consider running a commuter train to reduce costs—to take some action. Instead of hooking coal shipments on to a general freight train, which takes a long time to reach the coast, they could run a commuter train which would transport this coal in a matter of one day from the Crownest pass to Port Moody, where it would be unloaded and the commuter train would then return. This would cut costs. But you cannot calculate the cost of coal shipments to Port Moody the way things are now.

Last year these rates went up 15 cents a ton. The C.P.R. solemnly promised when these coal shipments were commenced that when their volume increased—and as I say, they are now runnnig at about 800,000 tons —they would cut the rates. After all, this is good business for the C.P.R. and you would expect them to lower the rates. Instead of that they were raised 15 cents per ton. What are they going to do from now on? This is no laughing matter, Mr. Speaker. The people in the west are worried, as should be the Minister of Industry (Mr. Drury) and the Minister of Transport. These people are asking questions about this matter; they want to know what is going to happen, because they have commitments.

If the railroads are freed from all government regulations and supervison they are in the position of making or breaking the people in the Crowsnest pass overnight. They are in the position of making ghost towns out of the whole area. This the C.P.R. can do by raising their freight rates. Therefore you can understand why these people are worried. I was in the area last week and talked to them about this matter, and both the miners and the operators are exercised about it.

Likewise, if the freight rates on farm machinery, foodstuffs and thousands of miscellaneous items like cars, and so on, are increased, then how on earth are the farmers of western Canada to meet the cost-price squeeze? For example, no farmer is in the position of being able to say that the price of his grain will go up 18 per cent, 10 per cent, 5 per cent or 4 per cent.

• (9:40 p.m.)

I am sure the Minister of Transport knows of the reasons why this should be so. The reason is simply this. In our economy farmers, as a group, are in the most perfect competition. They are the most perfectly competitive producers in the world. One farmer does not know that he is producing against another farmer, and that the sum total of the production has anything to do with prices. In other words, the farmers are in such perfect competition with one another that they are not conscious of the fact that they are competing with one another. This is vastly different from the Gary dinners of the United States steel corporations when they get together and talk about prices. Nothing is published about that, but there is discussion.

We have in our economy, therefore, on the one hand the steel industry which gets together with its Gary dinners, to talk, and on the other hand, perfect competition. A man such as a farmer, who cannot say what the price of his product will be, is the man who is in perfect competition. He has nothing to say about the price of his product, and the only protection he has is from government regulations and from parliament. I am speaking of the Canadian farmers.

If you are going to remove every bit of regulation from the railways, in order to allow them to put the costs of production up for the farmer, where will that lead to? You will have trouble, just as surely as the Minister of Transport sits there. You will

have people coming here, and I suggest that the minister will not be Minister of Transport for very long. Unless this problem is met he will not be Minister of Transport. You can see it coming over the horizon.

An hon. Member: Through the fog.

Mr. Kindt: As I mentioned before, you must have competition, and there is not sufficient competition to force the railroads to set proper rates.

Some time ago I made some studies for the establishment of a big steel corporation which would involve $100 million. I thought that the plant should be located in a certain place, and I discussed this with my principals. I went to New York, and there I completed my studies concerned with financing. I do not mind telling the minister that the reason, in the end why we could not recommend that the plant be located in a certain spot was that the people in New York would not finance the plant. They would not finance one where there was not a competitive railroad line.

You run into the situation all over western Canada of not having competing lines. Is this government going to allow railroads to raise rates indiscriminately?

Mr. Pickersgill: We are not.

Mr. Kindt: Are you going to allow them to raise rates at all? The minister could not say that last week when I asked him about coal shipments. He said that the matter would be studied in committee, and he kept repeating that it would go to the committee, and how gracious and farsighted this committee is going to be.

That is not satisfactory to the people in the west who are thinking this thing through, and who have to live with it. They want to develop their country. They do not want to put their earnings out on transportation charges.

I do not intend to talk for much longer. Already I have talked far longer than I had intended, and I would not have done so were it not for the fact that this is one of the most far-reaching pieces of legislation ever to be placed before this parliament, so far as western Canada is concerned. I know that this legislation has affected the east, as well as other places. But we in the west will be very, very careful of what goes into the legislation, and how it will be carried out.

My colleague has already talked about the Crownsnest pass agreement, and the minister has given the assurance, and it is worth repeating, that those rates with respect to grain are not to be disturbed. Now the minister says—and this is provided for in the legislation—that studies will be made by the commission to see how much money is being lost on grain.

Mr. Pickersgill: If any.

Mr. Kindt: Well, the commission is going to cost study this matter. Whose figures will it take? I am talking about costing. Whose figures are to be taken? You see, the government is going about it the wrong way. The figures you will get on costing, and then take money out of the public treasury to support, are not those which should be used in arriving at what should be paid under any Crowsnest pass agreement—because that agreement is supposed to remain the way it stands. We have talked about that for years.

The people settled in western Canada along the railroad lines because they had transportation, and because they were encouraged to do so by the Canadian Pacific Railway Company and the government. If you are going to increase the rates for those people who have spent their lives there building up the area, forcing them to pay additional rates—

Mr. Pickersgill: We are not.

Mr. Kindt: They will have to pay additional rates on many thimgs, which will enter into their cost of production. The rates are to be left to competition between the trucking lines, and the railroads.

Mr. Pickersgill: And air.

Mr. Kindt: There is competition from trucking, of course, but that may not provide the answer in maintaining and keeping the good will with respect to the bargain made with the farmers, when they went into the west and homesteaded that country. They are there, and they have done a good job, but they will not sit idly by and let some minister of transport permit the railways to pull up the tracks, or to set rates that will increase the cost of production which, in turn, will raise the costs to all the people of the west. If the railways do that, those people will be down here, talking to the minister.

As for the air lines, I must say that they would improve with competition. I am a great believer in competition. If even the

Minister of Transport were to compete with someone, he would smarten up.

Mr. Churchill: Hear, hear.

Mr. Kindt: Let me talk about air lines and competition, and in particular about Air Canada, with no competition. During the strike, when Canadian Pacific Airlines was stopping at Calgary, you could board Air Canada at Calgary and go to Winnipeg, and to Toronto, at almost any time. Air Canada was putting extra flights on at Calgary. They were special flights. I came down today on a special flight. I actually came down from Calgary to Toronto. But when it came to getting from Toronto to Ottawa, I had to stand in line. Seventeen others could not get on the aircraft, because there were no seats. There was no competition from Canadian Pacific Airlines, or from any other line, on the run from Toronto to Ottawa. Where Air Canada does not have competition, it could well do with some.

• (9:50 p.m.)

We should take a hard look at this competitive aspect. I have always been a supporter of Air Canada and I still am, but the time is coming when we shall have to consider introducing a little competition. I think competition is the lifeblood of industry and I hope the Minister of Industry will agree with me. I am sure he will. Unless there is competition, no company will put its best foot forward. If there is, they will look at the pattern for which they are trying to provide a service and place their facilities at the points where they must meet competiton and where it is evident that competition is a factor. I do not know how long we can continue without admitting the necessity for competition if we are to maintain freedom of enterprise.

I had hoped the minister would permit this bill to go to committee even before second reading, so that representatives of agriculture and industry from all over Canada could make recommendations and suggestions. Once this bill has been given second reading, how many changes will the minister be willing to make? I am sure he will find all the arguments under the sun for not changing it. He will bring these people to Ottawa from western Canada, and then he will say to them: Yes, you have a good idea, but the bill has been given second reading by parliament and we cannot change it now.

Legislation of this kind will not go down at all. I hope when the bill does go to committee, people from all parts of Canada who are affected by it will be in a position to make suggestions for changes and that those suggestions, if they are good ones, will be incorporated in the legislation when it is finally passed.

It may be that the whole process should be started again, from the beginning. The minister has had certain ideas about railroad abandonment, and so on, which are expressed in this bill. I am not too sure he is on the right track. We will have to consider that aspect. I feel strongly that the arrangements proposed are not likely to be in the public interest or, indeed, in the interest of anybody. They will satisfy no one. I feel, therefore, we are bound to take a hard look at it before this legislation is enacted into law.

Mr. Pickersgill: It appears there are a number of other hon. members who wish to speak. I wonder, therefore, if I might make the usual motion in order to give hon. members additional time in which to express their views on this bill.

Mr. Churchill: You would not give a supper adjournment hour so do not try to squeeze us now.

Mr. Pickersgill: I could, of course make the usual motion and let ten hon. members stand up, but I do not wish to embarrass hon. members opposite.

Mr. Grafftey: We do not embarrass easily.

Mr. Pickersgill: I should like to say that the hon. member for Qu'Appelle (Mr. Hamilton) in the most co-operative way suggested we should get over this general debate and let the measure go before a committee, where all these questions could be answered. I hope this is still the spirit of the party opposite and that nothing has happened to change it.

Mr. Churchill: Instant legislation.

Mr. W. H. A. Thomas (Middlesex West): I have a few brief remarks I should like to make on the second reading of this bill. They have to do with the terms upon which railways are abandoned, what should happen to the right-of-way, and how these abandonments ought to be dealt with when they take place.

I had a bill on the order paper in 1962, and again in 1963, dealing with this subject. I hope that now, when the Railway Act is to be overhauled, the government will see fit to

incorporate in its legislation a provision to cover the problem to which I intend to refer. The idea is to provide the Board of Transport Commissioners with both the authority and the responsibility to specify the conditions upon which any railway line may be abandoned, and my remarks spring from an experience in my own constituency as well as from experiences of this kind in several adjoining constituencies in recent years.

The MacPherson commission has forecast the abandonment of 8,000 miles of uneconomic railway branch lines in Canada. Lack of patronage indicates that these lines are no longer required. These branch lines served a pressing need in the days of horse-drawn vehicles 50 years ago, but they cannot possibly compete with the modern motor transport for either short haul passenger service or freight service. On the grounds of economy they should be abandoned, but the government through the Board of Transport Commissioners should accept responsibility for the manner in which abandonment takes place.

Many interests are involved. There is displacement of labour; new jobs must be found; business is disrupted; rail-tied investments are sometimes jeopardized; agricultural delivery points are eliminated, and there are problems connected with the rehabilitation of the abandoned right of way.

It is this aspect of the problem which concerns me this evening. Abandonment can be carried out as an orderly transition if it is done in an orderly manner. If left unplanned and uncontrolled, however, it can become a very disagreeable experience for many of the people involved.

As a good instance of unplanned and uncontrolled abandonment, I would draw attention to the developments following the abandonment, in 1960, of the Courtright branch of the New York Central railway, which extends from St. Thomas westwards through the counties of Lambton, Middlesex and Elgin. Train service had almost disappeared from the line. Business disruption was slight, but the abandonment of the right of way created serious and very irritating problems. The rails and ties and any useful culverts remaining were torn out, leaving an unsightly mess. The fences, which had been neglected for some years pending abandonment, were left in deplorable condition. I suppose one cannot blame a railway company for not keeping up a line which it intends to abandon.

Mr. Speaker, may I call it ten o'clock?

Mr. Pickersgill: The hon. gentleman seems to have a very short speech and I wonder whether we should not try to get it all in one issue of *Hansard*?

Mr. Thomas: If there were unanimous consent I would be prepared to continue.

Mr. Pickersgill: There is consent on this side of the house.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to continue?

Mr. Churchill: Ten o'clock.

An hon. Member: Not so.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, September 7, 1966

The house met at 2.30 p.m.

ADMINISTRATION OF JUSTICE

COMMITTEE TO CONSIDER REMOVAL OF MR. JUSTICE LANDREVILLE

On the order: Government notice of motion:

That a joint committee of both Houses of Parliament be appointed to inquire into and report on the expediency of presenting an address to His Excellency praying for the removal of Mr. Justice Leo Landreville from the Supreme Court of Ontario, in view of the facts, considerations and conclusions contained in the report of the Honourable Ivan C. Rand concerning the said Mr. Justice Leo Landreville, dated the 11th day of August, 1966 and tabled in the House of Commons on the 29th day of August, 1966;

That 12 members of the House of Commons, to be designated later, be members of the joint committee on the part of this house;

That the committee have power to appoint, from among its members such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records and to engage counsel; to sit while the house is sitting and to report from time to time;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for its use and for the use of parliament; and that standing order 66 of the House of Commons be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Cardin: Stand.

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

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

N.C.C. ACTIVITIES IN GATINEAU CONSTITUENCY

Question No. 1,335—**Mr. Isabelle:**

1. Since 1956, was any money spent by the Federal District Commission and the National Capital Commission in the constituency of Gatineau (a) for the expropriation of lands and buildings (b) for projects on these lands, such as buildings, roads, parks or lakes and, if so, how much?

2. Since 1946, has any land been expropriated and have any houses under construction been demolished by the National Capital Commission in the constituency of Gatineau and, if so, how many pieces of land and how many houses remain unused?

3. Does the National Capital Commission employ any persons in the constituency of Gatineau and, if so (a) how many (b) how many live in the constituency?

4. Does the National Capital Commission have any immediate projects planned in the constituency of Gatineau with regard to roads, parks, lakes, or buildings and, if so (a) what are these plans (b) where will these projects be carried out?

Answer: 1. Since 1956, money was spent by the Federal District Commission and the National Capital Commission in the constituency of Gatineau (a) for the expropriation of lands and buildings, yes. (b) for projects on these lands such as buildings, roads, parks, or lakes, yes, $6,102,776.

2. Yes. Since 1946 the National Capital Commission has expropriated lands in the constituency of Gatineau. Two houses, considered to be under construction, have been demolished. Approximately 100 parcels of land are vacant, pending its planned use and five houses considered suitable for rental purposes are available on a lease basis.

3. Yes. (a) The commission has 21 full time employees and 58 seasonal employees working in the constituency of Gatineau. In addition, approximately 10 employees may work occasionally in the constituency of Gatineau. (b) 20 full time employees live in the constituency; approximately 50 seasonal employees live in the constituency. The 10 occasional employees live outside the constituency.

4. Yes. (a) (i) The National Capital Commission and the government of the province of Quebec are negotiating an exchange of lands within the boundaries of Gatineau park in order to provide land needed for the construction of a student city and route No. 11. (ii) The commission will construct a structure to carry the Philemon Wright parkway over new route No. 11. (iii) Improvements are planned in Gatineau park to extend picnic and camping facilities. This will include the

construction of a new service building with change rooms, toilets and a first aid room; the resurfacing and enlarging of parking areas; the clearing and marking of Gatineau park boundaries; and the construction of an addition to the maintenance building.

(b) (i) Land for student city is located partly in the municipality of Lucerne and partly in the municipality of Hull West. Route No. 11 will use land located in the city of Hull. (ii) The Philemon Wright overpass will be located in the municipality of Hull West. (iii) The addition to the maintenance building will be erected at Old Chelsea in the municipality of Hull West. The construction of the picnic, camping and parking areas and the service building will take place at Lac Philippe in the municipalities of Masham and Eardley. Clearing and marking of Gatineau park boundaries will take place in the municipality of Masham.

AGRICULTURAL ADVISORY COMMITTEE OF N.C.C.

Question No. 1,401—**Mr. Bell (Carleton):**

1. Has the national capital commission established an agricultural advisory committee?

2. If so (a) when (b) what are its terms of reference (c) who are its members and what is the occupation or ordinary position of each (d) how many meetings has the committee held?

Answer: 1. Yes.

2. (a) A decision to form the committee was taken on the 25th February 1966, and the first meeting was held on the 30th March 1966, and reconvened on the 1st April 1966. (b) The terms of reference of the agricultural advisory committee are as follows: Committee formation: The committee shall be called the agricultural advisory committee to the property division of the National Capital Commission. Basis: The committee is formed as set out in a letter to Mr. S.C. Barry, deputy minister of agriculture, from Lt. Gen. S.F. Clark, chairman of the National Capital Commission, dated 25 February 1966. Purpose: The purpose of the committee is to afford the property division of the National Capital Commission professional and technical aid and advice with respect to matters of terms of development of the agricultural and forestry portions of the lands owned by the commission. Meetings: Meetings shall be at the call of the chairman of the committee, depending on the references which are made to him by the property division requesting advice on management and development of agricultural and forestry lands. Secretary: A secretary shall be provided by the property division of the commission. Scope: The agricultural advisory committee shall consider, investigate and report on matters relating to the use and development of land for agricultural and forestry purposes in which the commission may be interested, as requested by the property division. Such matters will include: (i) The rental, maintenance and rehabilitation of agricultural properties of the commission. (ii) Use of agricultural lands with specific reference to land capabilities and classification. (iii) The maintenance of lands, fences, buildings and drains. (iv) Matters of good farming practices, leasing methods and terms. (v) Economic feasibility of agricultural projects and practices.

The agricultural advisory committee shall not consider or investigate any matter contemplated by paragraphs (a) to (e) of part I of subsection 5 of By-law No. III (4) respecting the land committee of the National Capital Commission.

(c) The members and their occupation are as follows: Doctor Grant Carman, Director of Information, Information Division, Canada Department of Agriculture, Confederation Building. Doctor Peter C. Stobbe, Director of Soil Research Institute of Canada, Department of Agriculture, Central Experimental Farm. Mr. R.C. Hodges, Regional Director Ontario, Agricultural Rehabilitation & Development Section, Canada Department of Forestry.

(d) Three meetings have been held to date.

SALES TAX ON RETREAD TIRES

Question No. 1,786—**Mr. Scott (Victoria (Ont.)):**

Will the government consider removing the 11 per cent federal sales tax from (a) tread rubber used in retreading tires, or (b) the retail sale of retread tires?

Hon. Mitchell Sharp (Minister of Finance): (a) Upon enactment of amendments to the Excise Tax Act recently passed by the House of Commons all retreaders of tires will be licensed as manufacturers and will be allowed to purchase materials, such as tread rubber, to be incorporated into retreaded tires free of the 11 per cent sales tax. (b) This is a matter of government policy. If any amendments are to be proposed to the Excise Tax Act concerning sales tax on retreaded tires they will be announced at the appropriate time.

ALEX PRATT—EMPLOYMENT BY C.B.C.

Question No. 1,792—**Mr. Ormiston:**

Has Mr. Alex Pratt ever been employed by the C.B.C. and if so (a) in what capacity was he employed (b) what was the period of his employment (c) what were the terms of his contract(s) (d) for what reason was his contract terminated (e) was a C.B.C. administrator responsible for the decision not to renew his contract and, if so, what is this person's name?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. that Mr. Alex Pratt was employed by the corporation. (a) and (b) Co-ordinating producer from May 13, 1957 to May 31, 1959; production assistant from June 1, 1959 to November 30, 1960; t.v. producer from December 1, 1960 to November 6, 1964. (c) The terms were those of the standard C.B.C. contract for t.v. producers. (d) and (e) It has not been customary to require crown corporations to disclose information of this kind and the C.B.C. believes that deviation from this policy could only prove detrimental to the corporation and its employees.

NCO'S AND ENLISTED MEN IN ARMED FORCES

Question No. 1,802—**Mr. Enns:**

1. How many NCO's and enlisted men are there in each of the three armed services?

2. How many of these are engineers possessing university degrees?

3. How many NCO's and enlisted men in each of the three armed services have (a) applied for release since February 1, 1966 (b) have been retired, having reached the compulsory retirement age (c) have been recruited since February 1, 1966?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. 30 June 1966

R.C.N.	C.A.(R)	R.C.A.F.
15,136	37,166	35,735

2. Nil.

3. (a) Prior to 1 April, 1966, the number of people who applied for release was not recorded as many applications are withdrawn before approval is given for release. However, as of 1 April, 1966, this information is being tabulated and from 1 April to 30 June, 1966, the following have applied for release.

R.C.N.	C.A.(R)	R.C.A.F.
47	146	319

(b) 1 February-30 June 1966

R.C.N.	C.A.(R)	R.C.A.F.
12	130	108

(c) 1 February-30 June 1966

R.C.N.	C.A.(R)	R.C.A.F.
805	1,728	982

LENGTH OF SERVICE OF RETIRED OFFICERS

Question No. 1,817—**Mr. Lambert:**

1. What is the total length of service in Canada's armed forces respectively of the following officers whose retirement is announced as effective July 16, 1966; Vice Admiral K. L. Dyer; Lt. General R. W. Moncel; Lt. General F. J. Fleury?

2. When was each (a) promoted to his present rank (b) appointed to his present position?

3 Were such retirements effective on reaching normal retirement age, or on voluntary request or for any other reason?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. and 2. Vice Admiral Dyer has had continuous service with the Royal Canadian Navy from September 1, 1933, totalling 32 years and 317 days. He was promoted to his present rank on August 1, 1964, and was appointed chief of personnel the same date.

Lt. Gen. Moncel has had service in the Canadian army (active) and Canadian army (regular) totalling 25 years and 278 days, together with service in the Canadian army (reserves) totalling 3 years and 344 days. He was promoted to his present rank on August 1, 1964, and was appointed vice chief of the defence staff on September 2, 1965.

Lt. Gen. Fleury has had service in the Canadian army (active) and Canadian army (regular) totalling 25 years and 328 days, together with service in the Canadian army (reserves) totalling 8 years and 347 days. He was promoted to his present rank on September 2, 1965, and was appointed comptroller general the same date.

3. As stated in the House of Commons on 7 July, 1966, these retirements were by mutual understanding.

PUBLIC WORKS PROJECTS, CAPE BRETON ISLAND

Question No. 1,820—**Mr. Muir (Cape Breton North and Victoria):**

1. As of this date and until the end of 1966, what projects are planned by the Department of Public Works for the island of Cape Breton?

2. What is the nature of the planned projects and in what areas of Cape Breton will they be carried out?

Hon. G. J. McIlraith (Minister of Public Works): 1 and 2. Listed below:

Location	Project
Arrow Point	Deck repairs.

Location	Project
Baddeck	Paving Wharf reconstruction. Interior painting of postal accommodation in Federal Building.
Bay St. Lawrence	Dredging entrance. Breakwater repairs.
Big Bras d'Or	Road improvements.
Black Point	Haul up cable. Dredging.
Bras d'Or	Exterior painting of federal building.
Breton Cove	Dredging.
Broad Cove Marsh	Skidway and breakwater repairs.
Caplin Cove	Skidway repairs.
Capstick	Breakwater repairs.
Chapel Cove	Breakwater repairs.
Cheticamp	Exterior painting of federal building.
Cheticamp Beach	Wharf repairs.
Christmas Island	Construction of new building.
Cleveland	Construction of new building.
Creignish	Dredging.
D'Escousse	Improvements to grounds of revenue building. Wharf improvements and slipway.
Dingwall	Improvements to grounds of revenue building.
Dominion	Renovation of front entrance and railings at federal building.
Donkin	New lawns at revenue building.
East Bay	Improvements to grounds at revenue building.
Englishtown	Improvements to grounds at revenue building.
Finlay Point	Harbour improvements.
Florence	Repairs to concrete walks at federal building.
Fourchu	Dredging—presently under review.
French River	Haul up repairs. Dredging.
Friars Head	Skidway repairs.
Glace Bay	Dredging. Wharf improvements. Painting basement hallway walls and ceilings at federal building.
Grand Etang	Construction of new building.
Inverness	Paving courtyard and driveways and repairs to lawns at federal building.
Judique Baxters	Wharf. Wharf repairs.
Kings Cove	Wharf.
L'Archeveque	Protection wall.
Little Harbour (L'Ardoise)	Dredging.
Little Judique Harbour	Dredging.
Little River	Dredging.
Louisburg	Wharf widening. Completion of wharf extension. Replacement of aluminum front door assembly and interior painting at federal building.
Louisdale	Improvements to grounds of revenue building.
Mabou	Replacement of furnace at federal building.
MacKays Point	Dredging. Approach repairs.
MacKeigan's Pond	Dredging.
MacNeils Pond	Skidway repairs.
Main-a-Dieu	Engine and winch.
Marble Mountain	Approach repairs.
Margaree Harbour	Improvements to grounds at revenue building.
Margaree Valley	Improvements to grounds at revenue building.
Marion Bridge	Improvements to grounds at revenue building.
Meat Cove	Dredging.
Neils Harbour	Deck repairs. Improve new well system at revenue building.
New Campbellton	Sheathing.
New Victoria	Improvements to grounds at revenue building.
New Waterford	Paint chain link fence at federal building.
North Sydney	Pipe rail fencing and chain link fencing, lawn repairs and replacing two pairs of aluminum doors at federal building.
Orangedale	Improvements to grounds at revenue building.

[Mr. McIlraith.]

Location	Project
Path End Brook	Skidway repairs.
Pleasant Bay (The Ponds)	Harbour improvements.
Point Aconi (McReadyville)	Skidway.
Port Hastings	Improvements to grounds at revenue building.
Port Hawksbury	Paving courtyard and driveways at federal building.
Port Hood	Interior painting, heating plant renovation and canopy, roof and flashing repairs at federal building.
Port Morien	Improvements to grounds at revenue building.
Rabbit Island	Dredging.
Reserve Mines	Replacement of furnace at federal building.
River Denys	Improvement to grounds at revenue building.
Rockdale	Dredging.
R.C.M.P. (Old Naval Base)	New building proposed.
St. Peter's	Repairs to fence and painting, paving driveways and courtyard at federal building.
Schooner Pond	Dredging.
Sydney	Exterior painting, railings, etc., lock box installation and renovation, interior painting, glazed dado, rear halls and stairways, repairs and painting of ceilings at federal building. Exterior painting (areaways) at U.I.C. building.
Sydney (South Bar)	Harbour repairs and improvements.
Sydney Mines	Lawn repairs, pipe rail fencing and walks, repairs to doors and windows, instal areaway grilles and gravelling parking areas at federal building.
West Arichat	Improvements to grounds at revenue building. Breakwater repairs. Dredging.
West Bay Road	Improvements to grounds at revenue building.
White Point	Approach repairs.
Whitney Pier	Repairs and rebuilding lawn areas at federal building.
Whycocomagh	Furnace conversion or replacement, pipe rail fencing, concrete curb and repairs to lawn at federal building.
Wreck Cove	Dredging.

Under the terms of the trans-Canada highway agreement the planning and scheduling of construction on the highway is a provincial responsibility. No requests have been received from the province for approval of new work subsequent to July 7, 1966.

The following sections of the trans-Canada highway are presently under contract in Cape Breton island:

From 0.3 miles east of the junction of trunk 4 at Port Hastings to 0.9 miles west of Baddeck west boundary—upgrading work to improve the load-bearing capacity of the highway.

From 0.9 miles west of Baddeck west boundary to 0.5 miles east of Swamp Corner —construction of subgrade and gravel surfacing.

From 0.2 miles east of the junction of Old Trunk 5 at Swamp Corner to west end of the Great Bras d'Or bridge—upgrading work.

From 560.0 feet north of North Sydney town line to Purves street—grading and structure.

ROUNDEL INSIGNIA, R.C.A.F.

Question No. 1,833—**Mr. Dinsdale:**

1. What roundel insignia was used to designate aircraft of R.C.A.F. squadrons during World War II?

2. Has a decision been reached to change this roundel insignia and, if so (a) by whom was it made (b) for what reason has it been decided to depart from this tradition identified with the heroic efforts of Canadian flyers during two world wars?

Hon. Paul Hellyer (Minister of National Defence): 1. In 1924 when the R.C.A.F. was formed the standard red, white and blue roundel insignia of the R.A.F. was used on R.C.A.F. aircraft and continued to be used until world war II.

2. During world war II the R.C.A.F. had various versions of the roundel painted on its aircraft. From 1940 to 1942 the design was revised by the addition of a yellow ring

around the red ring to make the roundel more readily visible against the camouflage paint of fighter aircraft. On bomber aircraft, such as the Lancasters and Halifaxes, the customary white circle was deleted because it was easily seen in the glare of enemy searchlights and the roundel was only a red circle surrounded by a blue ring. Later in the Far East and in the Aleutians the roundel on R.C.A.F. aircraft consisted of a blue circle surrounded by a white ring.

(a) In 1946 the air council, presided over by the Minister of National Defence for Air, approved that the red circle in the roundel insignia be replaced by a red maple leaf and this was effected later that year. By virtue of the Aeronautics Act, the Minister of National Defence, subject to the governor general in council, is authorized to make provision for the proper identification of military aircraft. Within these terms of reference it became policy for the maple leaf in the roundel insignia to be identical in pattern to the maple leaf in the armorial bearings of Canada depicted on the Canadian flag which also is displayed on R.C.A.F. aircraft. Following the adoption of the new Canadian flag the design of the maple leaf in the roundel markings was altered to conform to that in the flag.

(b) Recently air transport command, with the approval of the chief of defence staff, has been experimenting with a roundel consisting of a red ring around a red maple leaf on a white field and a few aircraft carry this marking. No decision, however, has been reached with respect to a change in the official roundel insignia.

RETIREMENT OF SENIOR OFFICERS

Question No. 1,836—**Mr. Fulton:**

1. What were the ranks of the officers who respectively occupied the positions of vice chief of the defence staff, chief of personnel, and comptroller general on June 1, 1966?

2. Have these officers retired from the Canadian armed forces since that time?

3. What were their respective ages at the date of retirement?

4. What is the retirement age specified for officers of these respective ranks?

5. To what annual pension will these officers be entitled respectively following their retirement?

6. With reference to the statement by the Minister of National Defence (*Hansard*, page 7306) that there was "mutual understanding" with respect to these retirements, did the discussions preceding these "mutual understandings" include reference to the part these officers were expected to play in their respective positions or other positions they might occupy in the forces with relation to the program of integration and with respect to their relationship to the minister, and were these roles or those alternative positions and those relationships acceptable to the officers in question?

[Mr. Hellyer.]

Hon. Paul Hellyer (Minister of National Defence): 1. (a) Lieutenant general, (b) Vice admiral, (c) Lieutenant general.

2. Yes.

3. (a) 49 years, (b) 51 years, (c) 52 years.

4. 55 years.

5. Approximately (a) $11,680 (b) $15,496 (c) $11,699.

6. It is not departmental policy to make public discussions held by the minister with members of the Canadian armed forces.

DIRECT BANANA SHIPMENTS FROM CARIBBEAN

Question No. 1,842—**Mr. McCleave:**

1. Are any restrictions, governmental or otherwise, imposed upon the direct shipment by sea to Canada of Caribbean-produced bananas from any source, which have been the subject of complaint by any department?

2. If so, what has been the nature of the complaint, to whom was such directed, and with what result?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Agriculture, External Affairs, Finance, National Revenue and Trade and Commerce as follows:

1. No.

2. Not applicable.

*FLOUR EXPORTS TO RUSSIA, CHINA, CUBA

Question No. 1,852—**Mr. Diefenbaker:**

Has flour been exported from Canada to (a) Russia (b) China (c) Cuba, since the first day of January, 1966, by (i) The Quaker Oats Company (ii) Robin Hood Flour Mills (iii) Pillsbury Flour Mills?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Both the minister and his parliamentary secretary being absent on official duty I was asked to answer this question in their place.

In reply to the right hon. member's question concerning flour exported from Canada to Russia, China and Cuba since January 1, 1966, by The Quaker Oats Company, Robin Hood Flour Mills and Pillsbury Flour Mills, I am advised by the Dominion Bureau of Statistics that information about individual companies cannot be released in view of the secrecy provisions of the Statistics Act.

However, I can inform the right hon. member that in the six month period January 1 to June 30, 1966, exports of flour to Russia amounted to 234,583 hundredweight (value $1,052,000) and to Cuba 2,756,312 hundredweight (value $14,676,000). No flour was exported to China during this period.

*PENSIONS OF RETIRED ARMED FORCES PERSONNEL IN PUBLIC SERVICE

Question No. 1863—**Mr. Bell (Carleton):**

1. Has any action been taken by the government to promulgate regulations as authorized by the Statute Law (Superannuation) Amendment Act 1966, relating to the pensions of retired armed forces personnel subsequently employed in the public service?

2. If not, when is it anticipated such action will be taken?

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, the answer to this question is yes, the regulations to which the hon. member refers were made by order in council P.C. 1966-1586 dated August 24, 1966 and were effective the 1st day of September, 1966. The regulations will be published in part II of the Canada Gazette, on September 14, 1966.

FEDERAL BUILDING SITE, AMHERST, N.S.

Question No. 1,879—**Mr. Coates:**

1. Has the government secured a site for the new federal building at Amherst, Nova Scotia?

2. Has an architect been appointed to produce the plans and, if so, on what date?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. An architect was appointed on December 13, 1965 to produce the plans.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUTTER IMPORTS

Question No. 1,660—**Mr. Laprise:**

1. Has Canada imported any butter since 1960 and, if so (a) how many pounds each year (b) what quantity from each country each year (c) what was the average price each year (d) was any of this butter intended for domestic consumption and, if so, how much each year?

2. If any of this butter was intended for processing for re-export (a) how much each year (b) what factories processed it (c) how much did each factory process each year (d) how much did this processing cost the government each year (e) in what form, to what countries and at what price was this butter sold each year?

3. In 1966 and subsequent years, does the government intend to import butter and, if so, how does the government intend to dispose of it?

Return tabled.

EMPLOYEES IN PUBLIC SERVICE

Question No. 1,750—**Mr. Irvine:**

What was the total number of employees in each department and/or agency, as listed in schedules A, B, C and D of the Financial Administration Act R.S.C. 1952 chapter 116 as amended, on March 31 of each of the years 1950 to 1966, inclusive?

Return tabled.

DAMAGE CLAIMS, TRANS-CANADA HIGHWAY, N.B.

Question No. 1,800—**Mr. Flemming:**

1 Regarding the answer to question No. 1649, have any claims been presented which contained expenses of moving buildings in the area mentioned in the question named above, which called for 90 per cent contribution by the federal government?

2. If so, have they been paid either in full or partially?

3. What are the names of the parties on whose behalf claims were made and the amounts claimed for each of them?

4. Have any claims for moving buildings been disallowed or are any presently unpaid?

5. If so, what are the names of the parties on whose behalf claims have been made?

• (2:40 p.m.)

NATIONAL DEFENCE

UNIFICATION OF ARMED FORCES—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I ask leave to move the adjournment of the house in accordance with standing order No. 26 in order to discuss a matter of urgent public importance, namely, that the Minister of National Defence is pursuing an improper course without statutory or parliamentary authority in dictatorially proceeding with and, as he himself stated, in accelerating the unification of the armed forces despite strong objections; that there is grave danger that his illegal actions will be irrevocably completed before parliament under its ordinary rules has the opportunity to debate the matter and before fulfillment of the minister's assurances that ample opportunity would be afforded service personnel to air their objections; that he interfered with the deliberations of the defence committee by tampering with the evidence which Admiral Landymore intended to present to the committee, thus being in contempt of parliament; and that by all these

actions he has created a further serious decline in service morale and a state of widespread concern about Canada's ability to maintain an effective defence force.

Mr. Speaker: Will the hon. member for Halifax address the Chair on the question of urgency of debate?

Mr. Forrestall: Mr. Speaker, to bring the matter before the house properly, I move, seconded by the hon. member for Saskatoon (Mr. Brand), that the house now stand adjourned.

Mr. Pickersgill: Oh, oh.

Mr. Forrestall: I suggest to the Minister of Transport this is not very funny. I am trying to do something properly and I do not want to be shot down improperly.

The urgency of this matter, Mr. Speaker, may be summed up briefly in this way.

Unless the minister or the house refers to the defence committee at this time the question of unification as set forth in the motion, total unification of our Canadian forces will be irrevocable before the members of the house will have had an opportunity to discuss or review the matter in any way, or to record their views. Yesterday in response to a question by the hon. member for Winnipeg South Centre the minister stated, as recorded in *Hansard* at page 8053:

> No, Mr. Speaker. I do not think it would be desirable or in the public interest to do that at the present time.

The minister was talking about referring this matter to the defence committee. By this action and by that statement he had denied the members of this house an opportunity to place on record their pertinent and useful views. It has been clearly stated that the minister is not prepared now, and will not be until some vague time in the future, to let this matter go before the defence committee, thus depriving members of the house an opportunity to discuss the matter.

All the main requirements under rule 26 concerning the urgency of debate have been met. The importance of the matter is demonstrated also in the public concern that has been voiced not only by members of parliament but by thousands and thousands of Canadian servicemen as well as by senior, high ranking military officers who have found it necessary to make public statements. They are concerned about our ability to mobilize in the event of a national emergency. I suggest this is an important matter.

I should like to mention one further point, Mr. Speaker. The Department of National Defence accounts for nearly one quarter of our total annual budget. If this policy were forced through without full knowledge of all the facts it would be a disservice to this house. I suggest that on these grounds there is urgency of debate at this time.

Hon. Paul Hellyer (Minister of National Defence): I should like to speak to the question of urgency of debate, Mr. Speaker. Before doing so, however, I should like to suggest to the hon. member that if he is serious in his suggestion that I have acted illegally he should have the courage of his convictions and lay a charge—

Some hon. Members: Shame.

Mr. Hellyer: —rather than slip a phrase into a motion of this kind and attempt to take advantage of whatever publicity may accrue to him by casting reflections upon me in a way which is not in accordance with the facts, and which I defy him to substantiate. He is a very junior member of this house, and for that one must make some allowances.

Mr. Starr: Talk about arrogance.

Mr. Hellyer: At the same time there are certain rules that apply to all hon. members—

Mr. Grafftey: And he wants to be Prime Minister some day.

Mr. Hellyer: —and I would suggest that he learn to abide by those rules.

With regard to the question of urgency of debate, Mr. Speaker, the subject referred to here is no more urgent today than it was yesterday or a week ago or a month ago. As a matter of fact the urgency of debate on this subject arose in 1964 when the white paper on defence was presented to the house and to the Canadian people. It was stated quite clearly in the white paper on defence what was the policy of the government—

• (2:50 p.m.)

Mr. Churchill: It was not stated clearly.

Mr. Hellyer: —that it was to integrate the armed forces of Canada as a first step toward a single unified armed force.

This question was considered at length at the time by the special committee on defence. That committee reported to the House of

Commons. Its report was adopted by the House of Commons, and this became the policy of the government and the policy of the land. So far as integration is concerned, it has proceeded through its various stages from that time to this and it is now virtually complete; it is a *fait accompli*.

So far as urgency is concerned, there is nothing urgent about considering at this time the integration of the armed forces. As a matter of fact, Mr. Speaker, the opportunity was made available to discuss this matter earlier in this session before the committee on defence. Witnesses were available from the various commands to give evidence with respect to the integration process and how effective were the commands; and full opportunity was given to members of parliament to raise questions and to learn about this policy.

So far as unification is concerned, if this is the object of the debate, it is not the custom in this house to refer matters to a committee before the legislation in respect thereto is introduced. The government stated in the Speech from the Throne its intention to introduce amendments to the National Defence Act. My hon. friend did not at that time take the opportunity afforded by that debate to state his views with respect to this very important matter, when a number of days were available for discussion on the Address in Reply to the Speech from the Throne. Again when the budget was under consideration full opportunity was afforded all members of parliament in a general debate of that nature to state their views with respect to this matter if they wished to do so.

Mr. Churchill: That is not right; it is a restricted debate.

Mr. Hellyer: Other ample opportunity has been given from time to time to express viewpoints with respect to the policy which is laid down in the white paper. So far as integration is concerned, it is well advanced. So far as unification is concerned, it cannot be accomplished until there is a further amendment to the National Defence Act.

Mr. Bell (Carleton): That is not what you said before.

Mr. Hellyer: That has been forecast and will be introduced in parliament later this session in the normal manner. It will be debated at that time, and full opportunity will be provided members on all sides of the house to stand up and state their views, and then to stand up and be counted with respect to the proposals which will be laid before the house. This legislation will afford full opportunity, first of all for general debate and then for specific consideration of all of the various aspects in the standing committee once the legislation has been referred to that committee for consideration.

Mr. Churchill: When will that be; December?

Mr. Hellyer: In view of that fact, Mr. Speaker, I respectfully suggest to Your Honour that there is no urgency whatever with respect to having a general debate at the present time on this subject, but that the proper time will be when the legislation is presented to the house when it can be given full and adequate consideration.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I address myself to the question of urgency, but in doing so I cannot deny myself the luxury of referring to that cynical attitude displayed by the minister toward the hon. member who moved a perfectly responsible motion for adjournment. He referred somewhat sarcastically to the youth and inexperience of the hon. member. I would refer the minister, when he speaks of self advertisement, to that article which appeared in the rotogravure section of the Toronto *Globe and Mail*, which set out in detail this new defence policy. It referred to the hon. gentleman and Mr. Lee as "those clean cut kids".

Some hon. Members: Oh, oh.

Mr. Diefenbaker: There is urgency—

Mr. Pickersgill: That is sheer envy.

Mr. Diefenbaker: The hon. gentleman who has just spoken can speak with authority on that subject. He is soon to be elevated to another place where age does not count.

Mr. Pickersgill: That is also envy.

Mr. Diefenbaker: I refer to the question of urgency. The hon. gentleman spoke of the opportunities that were available. There was a white paper in 1964. I defy the hon. gentleman or any other hon. member to show in that white paper any anticipation of the kind of dabbling policy that has become so apparent during the past few weeks.

Sir, yesterday we endeavoured to get some information from the hon. gentleman with

respect to national defence. At page 8053 of *Hansard* he showed his attitude:

I do not think it would be desirable or in the public interest to do that at the present time.

Why? Simply because ever since the adjournment the minister has been going faster and faster along the road of unification, without regard to parliamentary legislative authority. The minister says it is not urgent. Yesterday the minister refused parliament an opportunity to look into this matter.

I say, sir, in sections 15, 16, 17 and 18 of the National Defence Act there is no authority whatsoever for the kind of conduct that has continued with accelerated force since the house adjourned early in July. What will the position be if we do not act now, if we wait until the minister completes his unification program? How can it be unscrambled? He has proceeded with this matter in a way that is a denial of parliamentary rights. Undertakings were given that changes made would not be of any serious nature. Indeed, when Admiral O'Brien took over on July 20, in a press conference he said:

I did not accept this appointment lightly. Before I did so I met for a considerable time with the minister, chief of defence staff, and defence staff. As a result I have been assured that there is no intention of making changes in the identity of the forces—

That is one of the points raised:

—the uniform or the conditions of service before legislation governing the unification has been passed by parliament.

An hon. Member: Order.

Mr. Diefenbaker: Continuing:

Furthermore, each one in the forces will be advised well in advance of the implementation of such legislation and how it will affect him.

Then he says:

He will be afforded—

Mr. Speaker: Order, please. I do not want to intervene without cause at this time, but I should like to remind the right hon. Leader of the Opposition and hon. members that the question before the house now is the urgency of debate, not the subject matter raised in the motion by the hon. member for Halifax. It seems to me it would be difficult to distinguish between the speech the right hon. member is making and the speech he might make if the motion were allowed.

• (3:00 p.m.)

Mr. Diefenbaker: I assure you, sir, that if there is debate on the subject and I have an opportunity to express myself regarding this contemptuous action on the part of the government, the house will find no difficulty in making a distinction.

[Mr. Diefenbaker.]

Yesterday we were told that the minister intends, regardless of parliament and regardless of undertakings which have been given in the past, to proceed with this policy. He intends to do this irrespective of the attitude of parliament. Indeed on July 24, in the course of a national television program with Mr. Lynch, he stated his intention to accelerate the unification program, as well as his belief that further enabling legislation was necessary only in respect to a change of name for the armed forces. In other words he said on July 24 that he intended to accelerate the unification program, for which he has no authority and for which parliament has given him no authority.

This is why, when questions were asked yesterday, we found ourselves met by an attitude of mind which disregards every principle of parliamentary control. He intends to go ahead. In effect he told Charles Lynch in "The Nation's Business" on July 24 that there was no one to stop him. Well, we heard that some years ago from another minister.

Mr. Pickersgill: You made it up in both cases.

Mr. Diefenbaker: The hon. gentleman was a colleague of his and they both went down to defeat when the first opportunity given to the Canadian people made it possible. That is an attitude which I thought was cured in 1956 and 1957. Yet the minister says, now, "I do not care about parliament; I intend to go ahead".

Mr. Pickersgill: The exact opposite.

Mr. Diefenbaker: What is this noise which comes from the Minister of Transport?

Mr. Pickersgill: I rise on a point of order. That is the noise. My point of order is the same as the one I made the other day. There is a rule in this house which applies to all hon. members and even to the arrogant and insufferable Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Standing order 26 provides that one may argue the question of urgency of debate of a topic, but one must not smuggle into that argument a debate on the topic itself. Most hon. members respect that rule,

but I have not heard the right hon. gentleman respect it yet and I think the time has come to enforce the rule.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I do not know whether the hon. gentleman intends to take over your place, Mr. Speaker. He must recently have been in communication with a former prime minister extramurally, because those words are practically what Mr. King said on one occasion regarding another leader of the opposition, which indicates that the hon. gentleman has not learned anything with the years.

Mr. Pickersgill: That gentleman was humble compared with the right hon. gentleman.

Mr. Diefenbaker: It indicates that the hon. gentleman does not regard parliament as being of any importance, and I had always thought he did.

Parliament has had no say on this issue. Parliament will have its say only after the minister of defence has done all his work. He admitted on July 24 that he intended to go ahead with the unification policy because he had the authority to do so; all that required legislative enactment was the change of name. Yesterday, he gave his answer. That answer was, "I will act as I please."

Mr. Pickersgill: He said nothing of the kind.

Mr. Diefenbaker: His answer was "I, along with Mr. Lee, the two clean-cut kids, will determine Canada's policy on defence; after we have done it and made it impossible for any legislation to remedy what we have done, then we shall give parliament a chance."

Mr. Frank Howard (Skeena): On the question of urgency, I would simply say that since we have now had the speeches we might as well have the debate too.

Mr. G. L. Chatterton (Esquimalt-Saanich): I should like to address a few words to Your Honour on the question of the urgency of debate.

Some hon. Members: Hear, hear.

Mr. Chatterton: In exactly the same manner as the Leader of the Opposition has done.

Some hon. Members: Oh.

Mr. Chatterton: I too wish to demonstrate the urgency of debate on this important subject of unification. The Minister of National Defence very cleverly tries to confuse integration with unification. The fact is that there was no exodus of our most valuable people from the armed forces until he began this process of unification. I have first hand information that all the senior staff tried to help him with his policy of integration. It was when he started implementing unification that the trouble began.

I maintain that the minister has laid all the groundwork for effective unification without approval or consent from parliament and without making any statement in parliament in explanation of his policy. I maintain he should have taken no action with regard to unification before a bill had been approved by parliament giving him the necessary authority. The minister is now carrying on a process of education among the junior ranks of the armed forces for the promotion of unification.

An hon. Member: Brainwashing.

Mr. Chatterton: I heard someone say "brainwashing". Perhaps that is a better word. I contend that before the hon. gentleman does greater harm to the armed forces of Canada than he has already done with his unification policy, it is essential, as a matter of urgency, that parliament should have the opportunity to discuss this subject today. We intend to get a clear statement from the minister as to precisely what he proposes when he speaks of unification.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, just a few words to point out to the house that when we were called last week it was to examine Bills Nos. C-230 and C-231.

At that time there was no question of unification of the three services and neither was it understood that we would examine this matter of unification of the armed forces of Canada. Normally, we should have come back here for the session on October 5 only.

The Conservatives would have had no opportunity to introduce their motion of urgency at this time, if we had only convened on October 5.

I feel, Mr. Speaker, that under the circumstances we should limit ourselves to the discussion of the bills for which we were called in emergency session. And, if the Leader of the Opposition (Mr. Diefenbaker) and his colleagues hold the matter of the unification of the armed forces so much at heart, they will be free to discuss it after October 5, and this

will not impede the operations of our three services, and will not remove any soldier from our Canadian forces at the present time.

Therefore, Mr. Speaker, I believe the urgency the Conservatives wish to bring forward at present simply amounts to a political football so as to play partisan politics in parliament.

• (3:10 p.m.)

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, notwithstanding the statements made by the hon. member for Villeneuve, who fails to recognize that the Minister of Finance has indicated he wants to talk about something else besides railways sometimes later this week or next week—he has not indicated when—I would like to draw Your Honour's attention to some of the factors I think you will be considering as to whether there is or has been an opportunity to discuss the matters raised by this particular motion.

First of all, there are no items on the order paper concerning unification. There are no committee reports for consideration. There has not been a committee report for consideration. There are no estimates to be called. There are none of these things. There is no supply motion. There is no general debate, and the general debate referred to by the minister is almost a laughable reference, a mere scribble in the Speech from the Throne saying that there will be amendments to the National Defence Act. I think the minister is trying to strain credibility when he wants us to believe that this would point directly to unification.

But the point is that since the last meetings of the defence committee on June 23 and June 29, when a no comment report was tabled in the house, there have been very important events. As a matter of fact the minister has changed his mind, because he assured the committee that no decision had yet been taken on unification. However, now we know for a fact that he did tell senior officers that certain steps were going to be taken.

Why were so many senior officers forced to resign? Were they all wrong and the minister the only one who was right? These are things the house has a right to know; because it is also a fact that many times the minister has indicated that by October 1 he intends to implement possibly a change in pay rates, a common rank structure, a concentrated trade classification structure; and if this is done the house will be presented with a *fait accompli* when we meet on October 5.

I contend, as is suggested in the motion, that under the provisions of the National Defence Act the minister does not have the power to do these things. In fact he is forbidden to do them. This is what the house wants to know.

I suggest, Mr. Speaker, that we have dealt with the major emergency of last week. We are now considering a long term bill and, because we do not know when the house will adjourn again, I suggest this matter must be discussed now. Respectfully I suggest to Your Honour that you accept the motion.

Mr. Speaker: I wonder if hon. members feel there is any case to be made in favour of pursuing the argument at this time. If there is I shall hear other hon. members who may have arguments to contribute in addition to those that have already been submitted for consideration by the Chair.

Mr. Robert McCleave (Halifax): Yes, Mr. Speaker, I have such an argument. Admiral Landymore was dismissed by the minister after giving evidence before a parliamentary committee. I think that is a gross abuse of the privileges of the house, and I think that is a very impelling reason for debate on the whole matter at this stage.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I grant the hon. member who moved that motion that this is an important matter. But as the hon. member for Villeneuve (Mr. Caouette) pointed out so well earlier, it is not urgent in view of the circumstances under which we have been meeting for a week. What is important for the Canadian people, and the railway workers in particular, is that the government agreed to submit two bills last week and we are now at the stage preceding second reading of the second bill. That is what matters and that is why we were called back. There has been for a few days a lot of talk about a new recess this week to allow us to go back to our respective ridings where our constituents are waiting for us to deal with problems as important and even urgent. If I may be allowed a suggestion, it would be a good thing if the house adjourned on Friday and came back on October 5.

But coming back to that highly important matter, and even if General Allard bears a very dynamic and sympathetic name, I would like it if, when orders of the day are called, the minister would indicate clearly if an

army man at the head of our forces has the right here to make political statements. It seems that those who bear the name of Allard often speak too long and to often.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, a while ago, the Minister of National Defence (Mr. Hellyer) said that this house has already had the opportunity of discussing the subject mentioned in the motion made by the Conservative party. I believe, Mr. Speaker, that since we have had the opportunity to discuss the unification of the armed forces there have been new developments, new facts which not only add a significant factor to the situation in the present circumstances, but also an element of urgency.

Among those facts there are the statement of the admiral, the statement of the minister and especially another fact directly related to unification, that is the notice posted at the base in Bagotville to the effect that French Canadian service men should speak English when on duty.

Well, Mr. Speaker, if that is one of the effects of unification, I think it is important and even urgent to discuss that matter today.

[*English*]

Hon. George Hees (Northumberland): Mr. Speaker, I believe this whole matter of urgency revolves around the statement which the minister made on national television to Mr. Charles Lynch, and if he meant what he said then it is a matter of urgency. He said at that time that unification was to be accelerated, and that the only matter for which he needed the consent of the house was the change of name. If that is the case, if that is what he meant—and I take it he meant just that—then obviously this is a matter of great urgency to be debated at this moment.

[*Translation*]

Mr. Speaker: I thank the hon. members who took part in the discussion on the motion made by the hon. member for Halifax (Mr. Forrestall). I want to assure them that I took into due consideration the arguments they submitted to enlighten me before making such a difficult decision.

[*English*]

The hon. member for Halifax (Mr. Forrestall) has asked leave to move the adjournment of the house in accordance with standing order 26 in order to discuss a matter of urgent public importance. We have had argument as to whether there is sufficient urgency of debate at this time to adjourn the ordinary business of the house. As hon. members know, the day to day order of business in the house is the responsibility of the government, and it is only when the conditions prescribed by the rules and the practice of the house are strictly met that we can adjourn this business and go on with the consideration of unannounced business.

Hon. members know as well as I do what are the relevant citations. They have been quoted on a number of occasions in the past. There is citation 100 in Beauchesne's fourth edition which prescribes:

> "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 is not easy to decide whether, in relating a particular item which is on the order paper to another item proposed by an individual member of the house, which one should be given precedence and whether there is such urgency to debate the new subject matter that the ordinary affairs of the house should be set aside. On balance I would doubt that the matter raised by the hon. member does meet the requirements of the citations and the precedents of the house.

I would also refer hon. members to citation 100(8) in Beauchesne's fourth edition, which reads in part:

> "I do not think that, under the standing order of 1882—

—which is a similar standing order to the one we are considering now—

> —a motion on a subject of this kind, having such a very wide scope, was ever contemplated. What I think was contemplated was an occurrence of some sudden emergency—"

This is the second requirement. It should be a matter of sudden emergency, something completely new.

• (3:20 p.m.)

I realize that the subject matter of the motion is extremely important, and that has been recognized by the minister and other hon. members who have made comments for the guidance of the Chair. There is no question whatsoever that it is an urgent matter in itself, but the question I have to decide now relates to the urgency of debate, and whether it relates to such a sudden occurrence that the adjournment of the house should be allowed.

If I may judge on the basis of questions that have been asked from time to time in the house, editorial comments and news reports, of which I assume the Chair is allowed to take judicial notice, this is a matter of long standing, not a sudden occurrence. It is therefor my duty at this time to reject the motion of the hon. member for Halifax.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motions Nos. 157 and 158 are acceptable to the government.

Mr. Speaker, would you be so kind as to call notice of motion No. 161? I ask that the remaining notices of motions be allowed to stand.

[*English*]

PRESS RELEASE RESPECTING ARDA REGIONAL OFFICES

Motion No. 157—**Mr. Coates:**

That an order of the house do issue for a copy of the press release issued by the Minister of Forestry in January, 1966, in which the four areas selected as regional offices for ARDA operations across Canada were named.

Motion agreed to.

MOVE OF ATLANTIC REGION ARDA OFFICE

Motion No. 158—**Mr. Coates:**

That an order of the house do issue for a copy of any communications exchanged between the government of Canada and individuals, corporations or commissions, dealing with the proposed move of the regional headquarters of ARDA for the Atlantic provinces from Amherst, Nova Scotia, to Moncton, New Brunswick.

Motion agreed to.

VIEWS OF ARMED FORCES PERSONNEL RESPECTING UNIFICATION

Motion No. 161—**Mr. Forrestall:**

That an order of the house do issue for copies of all communications between the Minister of National Defence and serving members of the armed forces with respect to their personal views on unification of the three services.

Hon. Paul Hellyer (Minister of National Defence): In respect of this motion, Mr. Speaker, there are no formal documents, and any communications that might exist would be privileged. I therefore have to decline the motion.

Mr. Speaker: Is the motion dropped?

[Mr. Speaker.]

Mr. Churchill: You can't just decline it.

Mr. Forrestall: I must beg your indulgence, Mr. Speaker, as I am not sure what I am required to do at this time, but I am not prepared to drop the motion.

Mr. Speaker: The motion will be transferred for debate pursuant to standing order 47.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, am I not right in understanding that before this motion can be transferred the minister must so move? I did not understand the minister to move that it be transferred for debate. I understood the minister to say merely that he declined to accept it, and it is my understanding that in such case the matter must be decided immediately by a vote.

Mr. Speaker: The hon. member would be right if a motion had been made, but no motion was made. The minister made a statement before a motion was made and it has been the practice, at least in the last few months, that at the request of the government or the minister such a motion before the house is transferred for debate pursuant to standing order 47.

Mr. Hellyer: Mr. Speaker, I have no objection to the motion being put if that is the wish of my hon. friend.

Mr. Fulton: Just to keep the record straight, Mr. Speaker, let me point out that the hon. member for Halifax is at a rather oblique angle to you. I assure you that he did rise to move his motion when it was called. It was in response to that indication that the minister said he was unable to accept it.

Mr. Speaker: It is obviously contrary to the practice which has been followed for the Chair to put a motion which is not before the house. Although the hon. member sits very far to my left he is very much in my vision; perhaps the Chair has Vista-vision. In any event I did see the hon. member, but I do not think this point of order can be accepted.

Mr. Churchill: Mr. Speaker, I rise on the point of order. The heading in the order paper above these notices of motions reads "Notices of Motions for Production of Papers". Surely we are dealing with motions in this instance.

It has been my experience here that when an hon. member indicates his assent it means he wants the motion put. If the minister

accepts the motion then we do not have a vote, or it can be transferred for debate. However, if there is a refusal by a minister to do anything about the motion, then it is up to the member to call for a vote if he so desires.

Mr. Speaker: If it is the desire of hon. members I shall put the motion. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Yea.

Some hon. Members: Nay.

Mr. Speaker: Does the house wish me to put the motion in a formal way?

Some hon. Members: Yes.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Forrestall) which was negatived on the following division:

• (3:30 p.m.)

YEAS

Messrs:

Aiken
Alkenbrack
Baldwin
Ballard
Bell (Carleton)
Bigg
Brand
Cantelon
Chatterton
Churchill
Clancy
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Fane
Forrestall
Fulton
Grafftey
Grills
Gundlock
Hales
Hamilton
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Kindt
Lambert
Loney
MacEwan
MacInnis (Cape Breton South)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McQuaid
Madill
Muir (Lisgar)
Nasserden
Nesbitt
Nowlan
Nugent
Rapp
Régimbald
Ricard
Rynard
Sherman
Smith
Southam
Starr
Thomas (Middlesex West)
Wadds (Mrs.)
Webb
Winkler—56.

Division

NAYS

Messrs:

Allard
Allmand
Badanai
Barnett
Basford
Batten
Béchard
Benson
Berger
Blouin
Boulanger
Brewin
Brown
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Cardin
Choquette
Chrétien
Clermont
Comtois
Côté (Longueuil)
Cowan
Crossman
Deachman
Dionne
Drury
Duquet
Émard
Ethier
Fawcett
Forest
Foy
Gauthier
Gendron
Gilbert
Godin
Gordon
Goyer
Gray
Greene
Grégoire
Guay
Habel
Haidasz
Harley
Hellyer
Herridge
Honey
Howe (Hamilton South)
Hymmen
Johnston
Klein
Knowles
Laflamme
LaMarsh (Miss)
Lamontagne
Langlois (Chicoutimi)
Langlois (Mégantic)
Laniel
Laprise
Latulippe
Laverdière
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
McIlraith
McWilliam
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Mongrain
Neveu
Nicholson
Nixon
O'Keefe
Orlikow
Otto
Patterson
Pelletier
Pennell
Pépin
Pickersgill
Pilon
Prittie
Prud'homme
Reid
Richard
Rideout (Mrs.)
Rochon
Rock
Roxburgh
Ryan
Saltsman
Sauvé
Schreyer
Scott (Danforth)
Sharp
Simard
Stafford
Stanbury
Stewart
Tardif
Teillet
Thompson
Tolmie
Tremblay
Trudeau
Tucker
Turner
Wahn
Walker
Whelan
Winch
Yanakis—126.

• (3:50 p.m.)

Mr. Speaker: I declare the motion lost.

Mr. Robichaud: I was paired. Had I voted, I would have voted against the motion.

Inquiries of the Ministry

Mr. Howard: I was paired with the hon. member for Burin-Burgeo. I have no idea how he would have voted had he been here.

EXTERNAL AFFAIRS

NATO—WITHDRAWAL OF FRENCH CONTRIBUTION TO MILITARY EXPENDITURES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Acting Prime Minister advise the house what, in his opinion and that of the government, will be the effect of France notifying NATO that after January 1, 1967 that country will make no further contributions to the military expenditures of NATO? To what extent will the failure of France to make that contribution add to the amount that may have to be paid by Canada and other nations?

Hon. Paul Martin (Acting Prime Minister): The information that I have, Mr. Speaker, in addition to what has been given publicly, is not clear as to whether this decision of France refers only to obligations that she might have with regard to the infrastructure program of NATO. Until I know the precise answer to that I do not believe I would want to answer the question at this time. There has been no final decision, of course, with regard to the disposition of French forces in Germany, nor has there been any decision with regard to overflights. I think I should like to take my hon. friend's question as notice and, if there is more information tomorrow, perhaps give a precise answer.

NATO—MOVE OF CANADIAN AND U.S. AIR BASES FROM FRANCE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Can he explain the report that as a result of the policy of General de Gaulle which requires that the United States and Canadian air forces must leave France the Canadian air force is moving to Germany and the United States air force to the United Kingdom? Can he explain why there is this peculiar arrangement?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as my hon. friend knows, last March the government of France announced that it was not going to continue in the integrated force structure of NATO or in the integrated command structure. To that end it served notice on the United States and Canada to vacate the air bases within France that these countries had, in the case of Canada two and in the case of the United States five. The decision to be made by the government of the United States as to relocation is, of course, a matter for the government of the United States. Canada has made its decision with regard to relocation in Germany.

Mr. Winch: A supplementary question. May I ask the minister whether he can explain to the House of Commons why it is that the Canadian air force is being transferred to Germany but the United States air force is going to Great Britain?

Mr. Martin (Essex East): I am sure that the United States is not transferring all of the bases that it had in France to the United Kingdom, only a portion.

BUSINESS OF THE HOUSE

INQUIRY AS TO CONSIDERATION OF MEDICARE AND OLD AGE PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. It is supplementary to questions I put to the Prime Minister on Monday and Thursday of last week. I asked whether we would proceed during this portion of the session with action on old age pensions and medicare. The Prime Minister said there would be a statement in a few days as to what we would do. What day may we expect that statement?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I will take a look at what the Prime Minister said and perhaps be in a position to answer this question tomorrow.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, could the Acting Prime Minister tell us whether it was agreed that the old age pension and social security questions would be revised as the session would resume on the normal date set for that, next October 5?

Mr. Martin (Essex East): Mr. Speaker, I wish to thank the hon. member.

That is the question which was asked by the hon. member for Winnipeg North Centre (Mr. Knowles) and which I had promised to consider in the light of the reply given by the right hon. Prime Minister (Mr. Pearson) a few days ago.

[*English*]

THE CANADIAN ECONOMY

INQUIRY AS TO STUDY OF INFLATION

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, my question is also for the Acting Prime Minister. Is it the intention of the government to establish a committee or commission to study the cause and effect of the present inflationary situation in the hope of finding a solution?

Hon. Paul Martin (Acting Prime Minister): The government takes a very serious view of this problem, Mr. Speaker, and when the Minister of Finance is given an opportunity, immediately after the disposition of the transportation bill, the government's views on that and other questions will be made known.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of Labour.

It has to do with the railway strike. Is the minister aware that the senior officials of the railroads got a 5 per cent salary increase retroactive to January pending final readjustment? Does he feel that that is normal?

Mr. Speaker: Order. The question is inadmissible in its present form.

[*English*]

INTERNATIONAL LABOUR ORGANIZATION

INQUIRY AS TO REGIONAL CONFERENCE IN OTTAWA

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, can the Minister of Labour advise the house if the International Labour Organization conference is to be held on Monday and if members of this house will be able to sit in on this conference?

Hon. J. R. Nicholson (Minister of Labour): The short answer, Mr. Speaker, is yes. All hon. members who are interested will be welcome. The session will open in the Commons chamber on Monday morning but where it will continue after that time, whether here or in room 200, will depend on the decision or action of the house later this week. I certainly hope that interested members will take advantage of this opportunity. This is the first time a regional conference of the Inter-American members of the ILO has been held in Canada. I hope all interested members will take advantage of the opportunity to attend as many sessions as possible. It is to begin on Monday morning, and I might say it will be opened by the Acting Prime Minister.

INDUSTRY

POSSIBLE CHANGES IN BOUNDARIES OF DESIGNATED AREAS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to direct a question to the Minister of Industry, since he has had to decline an invitation to attend a meeting of the Georgian Bay Development Association. Does the minister intend to make any changes in the near future in the boundaries of the designated areas?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, a statement will be made to the association meeting in that connection.

REPORTED GRANT TO SUBSIDIARY OF CANADIAN JAVELIN COMPANY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Industry whether it is a fact that the government of Canada has granted $5 million to one of the Doyle companies, Melville Chemical and Cellulose, a subsidiary of Canadian Javelin?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the terms in which the question is phrased make it somewhat difficult to answer. If the enterprise to which the hon. gentleman refers is a manufacturing or processing enterprise intended to be located in a designated area it will qualify like any other manufacturing or processing enterprise located in a designated area for the incentives approved by parliament under the area incentive program.

NATIONAL DEFENCE

VISIT BY MINISTER TO MARITIME COMMAND

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence regarding his proposed visit to maritime command

when he intends to meet a very large cross-section of men and officers of all ranks who will express their views freely. Will the minister now give an assurance that the proposed meeting will be held openly and in the presence of the press?

Hon. Paul Hellyer (Minister of National Defence): I would think not, Mr. Speaker.

Mr. Churchill: A supplementary question. I would ask the minister whether it would not be possible for him to revise that decision in view of the fact that security matters are unlikely to be discussed. The matters to be discussed will concern only the minister's proposed plan of unification, will they not?

Mr. Hellyer: It would be possible, but I would expect that that kind of encounter would not produce the full and frank exchange of opinions which I would desire.

Mr. Diefenbaker: Behind closed doors.

Mr. Churchill: If the minister would allow debate here he would have a full and frank exchange of opinion. May I ask him a supplementary question. Will this very large cross-section of men and officers which the minister mentioned be very carefully selected in advance? Will they be screened?

Mr. Speaker: Order, please. I am sure that the hon. member will agree that that question is not acceptable.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question for the Minister of National Defence. Since he is going to appear in Halifax to allow a cross-section of service personnel to express their views freely, am I to understand that the rules and regulations will be changed to allow this to take place or has the minister taken upon himself the responsibility of permitting free expression of opinion, which is against the written rule?

Mr. Hellyer: I will take full responsibility for what occurs, Mr. Speaker.

Mr. Diefenbaker: The rules notwithstanding.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR DELAY IN CLOSING OF OFFICES

On the orders of the day:

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to put a question to the Minister of Labour.

Could the minister tell the house and the Canadian people in general whether the government intends to implement the arbitrary and unrealistic policy advocated by U.I.C. officials with a view to closing most unemployment insurance offices in Canada?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, as I think I said on an earlier occasion, it is not a case of the government acting arbitrarily or otherwise. Certain responsibilities have been delegated by parliament to the Unemployment Insurance Commission. I have the assurance of the commission that they will receive and consider representations even though their preliminary thinking and plans may involve the closing of offices. But I wish to reiterate that the responsibility rests with the commission.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker I should like to ask the Minister of Labour whether, before those unemployment insurance offices are closed, the matter will be brought before parliament so as to give us the opportunity to discuss it in this house?

[*English*]

Mr. Nicholson: I would think not, Mr. Speaker. Parliament has already delegated this responsibility to the Unemployment Insurance Commission and a number of offices have been closed by them. I might say that this is not surprising since for many years the work of the National Employment Service was conducted by the Unemployment Insurance Commission. Since the functions of the National Employment Service have been transferred to another branch of government there does not remain anything like the same volume of work for the Unemployment Insurance Commission.

In the interest of good administration the commission is making these decisions, but they are not making them arbitrarily. They are listening and will listen to the representations which are made from time to time by members of this house and others interested.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): A supplementary question, Mr. Speaker. Will the Minister of Labour use his good offices to see that the office in Saint-Hyacinthe is retained, because it is one of the oldest?

Mr. Speaker: Order, please. I hope we will not engage in a discussion about individual offices. Perhaps even the Chair might have something to say about this.

Mr. E. Nasserden (Rosthern): A supplementary question for the Minister of Labour. Have the provincial departments of labour been consulted by the Unemployment Insurance Commission before these offices have been closed?

Mr. Nicholson: I would have to take that question as notice, Mr. Speaker. I know that discussions have taken place with some of the provincial governments, but I cannot say whether the question has been discussed with all of them. I will take the question as notice and answer it as soon as possible.

WATER RESOURCES

UNITED STATES CONFERENCE ON WATER FOR PEACE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. Has the government yet received a formal invitation to the water conference called by President Johnson for next May?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I have not personally, Mr. Speaker. It may be that the Secretary of State for External Affairs has, but I have not personally received one.

Mr. Aiken: A supplementary question. In accordance with the preliminary advice that the minister has received, will his department be able to make full and complete submissions within the time indicated in the original notice?

Mr. Pepin: Mr. Speaker, the answer I gave yesterday is still valid today. The fears I expressed are also valid.

GRAIN

WHEAT—REQUEST FOR HIGHER INITIAL PAYMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Minister of Finance, as the minister responsible for matters having to do with the wheat board, whether any favourable consideration has been given by the wheat board to increasing the amount of the initial payment for wheat delivered this year in view of rising costs and so on, to which the minister will no doubt allude when he speaks on the subject of inflation?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, a question was asked several days ago by the hon. member for Medicine Hat on exactly the same subject. I said at that time that we had received representations on both sides of this question, some in favour of increasing the initial price and some not in favour. I said that the matter was before me since, as the right hon. gentleman knows, this is a matter for the governor in council rather than for the wheat board. The wheat board itself has also been considering the matter at my request.

Mr. Diefenbaker: And the matter is now before the governor in council to determine whether or not there shall be an increase. Can it be expected that the government will act with celerity in this regard?

Mr. Sharp: I gave a very candid reply to the question which was asked by the hon. member for Medicine Hat. I said that I did not expect there would be an early decision.

Mr. E. Nasserden (Rosthern): A supplementary question. Will the Minister of Finance take into consideration the recommendations which he might receive from the Minister of Agriculture in this regard?

Mr. Sharp: I always pay the greatest possible attention to the views of the Minister of Agriculture.

[*Translation*]

NATIONAL CAPITAL COMMISSION

HULL, QUE.—INQUIRY AS TO LAND ACQUISITION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of Public Works?

In March 1966, the minister received several delegations from the city of Hull requesting that the federal government grant to the city of Hull some water lots located on the Hull side of the Ottawa River. Has the minister or his department reached a decision concerning those lots which the city of Hull would like to obtain from the department?

[*English*]

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I am not clear as to

which parcel of land the hon. member has referred. Several parcels of land have been discussed with various authorities in Hull at one time or another.

[*Translation*]

Mr. Speaker: Order. This seems to be the type of question which should be placed on the order paper, for it pertains to particulars which the hon. member could obtain much more easily if his question were put in writing.

[*English*]

ADMINISTRATION OF JUSTICE

DISCLOSURE OF REASONS FOR COMMUTATION OF DEATH SENTENCES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Solicitor General. In view of the growing public anxiety, fear and concern, both in North America and Europe, over the recent rise in multiple murders of both ordinary citizens and policemen, will the government not consider the appeal made yesterday by the Canadian Association of Police Chiefs for the cabinet to make known to the public the reason why on each occasion the death sentence is passed that sentence is or is not being commuted?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, there are some related questions on the order paper from the hon. member for York-Humber. In view of this, perhaps I might take the hon. member's question as notice so that I might deal with the questions of both hon. members at the same time.

EXAMINATION OF MATERIAL SEIZED FROM SEAFARERS UNION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, at the request of some good Canadian trade unionists I wish to ask the Solicitor General a question. Has he anything further to report with respect to developments in the examination of letters, documents and other material seized by the R.C.M.P. from various locals of the seafarers international union?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the members of the R.C.M.P. have completed their investigations and a report of their findings has been forwarded to the Department of Justice. I understand that the Minister of Justice and his officials have been in touch with the appropriate provincial authorities and that the report is under study.

SPENCE ROYAL COMMISSION— INQUIRY AS TO REPORT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, in the absence of the Prime Minister may I ask the Acting Prime Minister whether the Spence report has been received by the Privy Council office and whether a copy of that report has been sent by air to the Prime Minister in England?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I am not aware that the report in question has been received by anyone in the government. I am not aware that it has been received by the Privy Council office but I shall make inquiries at once.

An hon. Member: Don't they keep you informed of anything?

LABOUR CONDITIONS

ST. CATHARINES—REPORTED LAY-OFFS AT McKINNON INDUSTRIES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of Labour. Has the minister, with other members of the government, received representations with regard to substantial lay-offs at McKinnon Industries in St. Catharines and with respect to the applicability of the transitional assistance benefit plan which was announced by the former minister of labour last year?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, in late August employees of McKinnon Industries of St. Catharines, along with employees of General Motors and other affiliated companies, met here in Ottawa with the Minister of Industry, the Minister of Citizenship and Immigration, and myself. We had a very useful discussion. Representations of the nature referred to by the hon. member were made.

After the meeting my colleagues and I discussed the matter. I might say that the representations impressed me—at least, some of them did. They were rather persuasive. I hope they had the same effect on my colleagues.

We have asked for a special study and report which I think should come before the cabinet within the next week or so.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker. Did this delegation ask that in addition to the supplementary unemployment benefits, TAB benefits be paid also? What was the reaction of the government to that request?

Mr. Nicholson: That was one of the suggestions put forward, and it is being carefully studied along with other suggestions and submissions made by the delegation.

[*Translation*]

HARBOURS

MONTREAL—EARLY HANDLING OF U.S. GRAIN

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish to direct a question to the Minister of Finance and Receiver General.

Will the Minister of Finance tell us if next spring the Montreal harbour will be able to handle American grain before the harbours at Fort William and Port Arthur are open?

Mr. Speaker: It seems to me that this question is a little premature and could easily be put on the order paper.

Mr. Ricard: Mr. Speaker, last April the minister had talks with the Board of Grain Commissioners and the Montreal harbour board and was to report to us, but we never heard anything more. That is why I am asking this question today.

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I do not like to disavow responsibility, but this matter really concerns my colleague the Minister of Agriculture, who is responsible for the Board of Grain Commissioners.

Mr. Ricard: A supplementary question, Mr. Speaker. May I then direct my question to the Minister of Agriculture?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I believe we intend to hold a meeting with the Montreal port authority soon.

NATIONAL DEFENCE

SUPPORT OF UNIFICATION PROGRAM A PROMOTION FACTOR?

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence. Has information been relayed from the minister's office or from the department to any officers or men in the services to the effect that enthusiastic support for the minister's program of unification will be a factor in considering matters of promotion?

Hon. Paul Hellyer (Minister of National Defence): Certainly not to my knowledge, Mr. Speaker.

LABOUR RELATIONS

KINGSTON, ONT.—CROSSING OF PICKET LINES BY ARMED FORCES MEMBERS

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, while I have the floor I should like to answer the question raised yesterday by the hon. member for Vancouver East who asked a question with respect to allegations that non-commissioned officers have been driving taxicabs in their off duty hours through the picket lines at Millhaven Fibres Limited near Kingston.

In general terms, it has been departmental policy not to interfere with servicemen engaged in part time employment outside the armed forces except in cases where their duties in the armed forces are affected.

According to our information no suggestion has been made that the servicemen off duty and in civilian clothes have acted illegally. Therefore we can only presume that it would be a matter for the individual taxi drivers to decide according to the dictates of their conscience. In this case it would appear that servicemen are subject to the same laws as ordinary citizens.

[*Later:*]

Mr. Harold Winch (Vancouver East): Mr. Speaker, in view of the answer given a few moments ago by the Minister of National Defence and in light of the interest which I know he takes in the existence of good public relations between members of the armed services and the civilian population, may I ask whether it is not possible in some way, as a matter of urgency, to stop members of the armed forces from moonlighting, scabbing and going through local picket lines? The minister is interested in good public relations

and so am I. Cannot something be done in this direction?

Mr. Hellyer: I will be pleased to take note of this suggestion and perhaps pass it along to the individuals involved.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of National Defence which may be related to moonlighting by members of the armed forces. Can the minister say approximately when an announcement of a general pay revision for the armed forces will be made?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, subject to the kind and courteous co-operation of the Minister of Finance and my other colleagues, I still hope it will be October 1.

Mr. McCleave: And will it be 14 per cent?

Mr. Hellyer: It would not be proper for me to give any indication of what my colleagues might approve until the announcement is ready to be made.

GRAIN

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

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct my favourite question to my favourite minister and ask the Minister of Agriculture whether over the summer recess he has come to a favourable decision about the grain elevator in Prince Rupert?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, in answering my favourite New Democratic Party member, after the hon. member for Kootenay West, I might say that the decision with respect to Prince Rupert is under review at the present time.

[*Translation*]

HOUSE OF COMMONS

APPOINTMENT OF CONSTITUENCY RETURNING OFFICERS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I would like to direct a question to the Secretary of State or the minister responsible for the appointment of returning officers in the various electoral ridings in Canada.

Could the minister tell the house if the new returning officers have already been appointed and, if so, if it would be possible to get the names of those 265 returning officers?

[Mr. Winch.]

[*English*]

Hon. Judy V. LaMarsh (Secretary of State): Some have been, Mr. Speaker, but I could not possibly remember any of the names. I think there has been no change—

Mr. Speaker: Order, please. I believe this question is not so urgent that it could not be placed on the order paper.

AGRICULTURE

ARDA—MOVE OF MARITIME REGIONAL OFFICE

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of Forestry. Is the minister in a position to indicate when he might meet with a delegation from the town of Amherst over the intended move of the regional ARDA office from Amherst to Moncton?

Mr. Speaker: Order, please. This question of course is of importance to the hon. member, and perhaps to other hon. members, but it is not, I think, of the type that should be asked at this time. It is local in character and I suggest to the hon. member that it should be placed on the order paper. Perhaps he might get in touch with the minister directly.

Mr. Coates: I have placed the question on the order paper, Mr. Speaker, but I anticipate that the answer is going to be available before the question on the order paper can be answered.

ADMINISTRATION OF JUSTICE

RETURN FROM U.S. OF ESCAPED PRISONERS FROM CANADIAN PENITENTIARY

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs and relates to the arrest and current detention in the United States of four escapees from a Canadian penitentiary.

Is the minister aware that a statement has been made by the United States Attorney General's department to the effect that two of these four escapees, being of Indian origin, are not to be returned to Canada and, indeed, that they may not be extraditable to Canada? If the minister is aware of this, can he say whether any action is contemplated with a view to challenging this statement and the position taken?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I will take this question as notice and deal with it tomorrow.

[*Translation*]

POST OFFICE DEPARTMENT

INVESTIGATION INTO GRIEVANCES OF EMPLOYEES

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to put a question to the Postmaster General, to whom I extend my congratulations for a brilliant tour of the lower St. Lawrence.

I should like to ask the minister if the report of Mr. Justice Montpetit on the working conditions of the postal workers has been turned over to him and when it will be made public?

Hon. Jean-Pierre Côté (Postmaster General): No, Mr. Speaker, it has not yet been referred to me, but I expect to receive it before the end of the month.

Mr. Choquette: A supplementary question, Mr. Speaker. In view of the fact that the postal workers have indicated through the press their intention to go on strike, have representations been made to the minister by representatives of the said postal workers?

Mr. Côté (Longueuil): No, Mr. Speaker.

[*English*]

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

The house resumed, from Tuesday, September 6, consideration of the motion of Mr. Pickersgill for the second reading of Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, when the house adjourned last evening I was seeking to make the point that while our railway legislation is before us for consideration particular attention should be paid to providing by statute for the disposition and rehabilitation of railway rights of way after abandonment has taken place.

I pointed out that I had private bills on this subject in 1962 and 1963 on which there was debate. However, no action was taken. There is another bill on the order paper in my name this year dealing further with the matter.

Now that the general revision of railway legislation is being considered I feel this is a most appropriate time at which to deal with the problem presented by abandoned rights of way. I cited our experience in Middlesex West when the Courtright branch of the New York Central Railway was abandoned in 1960 as an example of what is likely to happen. Business disruption was slight because there had been virtually no business over this line for years, but the abandoned right of way created serious and very irritating problems. The rails and ties and any remaining useful culverts were torn out, leaving an unsightly mess. The fences, which had been neglected for some years pending abandonment, were left in deplorable condition and resulted in a livestock nuisance. The right of way subsequently was covered with a growth of brush, burdocks, thistles and an inglorious assortment of all noxious weeds known to the district.

Railways are always a nuisance in farm areas because almost invariably they divide farm losts into awkward parts. They create a crossing problem and they create a problem of cultivating odd-shaped fields.

While the railway continues to operate, this inconvenience is ameliorated by properly maintained fences, gates and grade crossings. When abandonment takes place the crossings are torn out, the drains blocked, the gates and fences are left in useless shape and the right of way becomes an unrestricted multiplying ground for noxious weed seeds. The New York Central right of way has now been sold en bloc to private speculators who have proved very difficult to contact. The county weed inspector has been unable to get action on the weeds. This right of way has become an eyesore, a nuisance and a menace to the community.

For further details of the tribulations and frustrations encountered by the people along this abandoned railway line, I refer hon. members to the debate of February 9, 1962. These difficulties are continuing. No one seems to know or care about cleaning up this mess. Surely the members of this house do not wish this most unsatisfactory experience to be repeated in other parts of the country. Although the difficulties in this New York Central case were not connected with railtied investments, grain storage, or alternate transport facilities to the same extent as they might be in other cases of abandonment, these problems of field separation, fencing,

drainage and weed control are both irritating and unnecessary.

This parliament has set up a number of planning boards to help avoid confusion and mistakes in our future development. Surely we are justified in giving the most careful consideration to some form of planning and regulation which might help to smooth out the process of railway abandonment.

The Railway Act occupies 203 pages of the Revised Statutes of Canada, 1952. It was passed in its original form when railway construction began and was intended to protect the interests of all concerned, both under conditions of construction and of operation. It has been amended from time to time to meet changing requirements. Railway abandonment now makes further amendment a prime necessity.

The Railway Act provides for a Board of Transport Commissioners to administer the act. This transport board has authority over all aspects of railway construction and operation. It can grant permission for a company to abandon a railway line but holds itself bound by a judgment in the case of Cairns Bros., written by Chief Commissioner Guthrie, November 17, 1936, which rules that the board has no jurisdiction over abandoned rights of way.

• (4:30 p.m.)

Once the rail lines are torn out, the board's jurisdiction ends. The board has no right to enforce conditions for abandonment. I am urging this parliament to provide the Board of Transport Commissioners, or the new authority, with both the authority and the responsibility for setting forth the conditions under which any railway abandonment may take place.

I suggest that one of the conditions for abandonment should be the appointment of an abandonment planning board for each line abandoned. This board should be representative of the various interests which will be affected. Such a board should have on it representatives of the railway company, of labour unions, of agriculture and of the municiplities concerned. The board should have the responsibility of recommending to the transport board the conditions under which abandonment could be permitted. Their recommendations should concern the best disposition of the right of way in the public interest, the disposition of the workers involved, consideration of compensation for rail-tied investment, and any other matters of vital public concern.

[Mr. Thomas.]

Where the right of way separates farm lands the right of way should be restored wherever practicable to the farm lot from which the land was originally taken. This would do away with crossing problems and the nuisance of working odd-shaped areas of land and cultivating odd-shaped fields. It would permit the farmer in each case to re-incorporate the right of way to the best possible advantage on his farm, and to control drainage and weed menace. Larger areas of property such as those in town sites should be disposed of in the best public interest after consultation with the municipalities concerned.

It is proposed that whenever an application for abandonment is granted by the transport board a waiting period should be allowed during which such a representative abandonment planning board as suggested could prepare a plan for abandonment. Provision could be made for settlement of disputes by arbitration. The services of municipal and provincial planning boards might be used where available.

I think this is most important. Boards have been set up under our conservation legislation for the purpose of planning in rural areas, and their services might be used to advantage in conjunction with the abandonment planning board I have suggested. Conservation authorities at various levels of government should be consulted.

These unnecessary railway lines have served their day and generation well. There is no sound reason why we should now abandon them in such a way as to leave ghost towns, broken fortunes and unsightly scars across the face of our country. I hope the government will recommend such action as is necessary to take care of this situation.

In the debate in 1963 the Minister of Agriculture (Mr. Greene) had something to say in regard to this proposal, and I quote from his opening remarks on that occasion as recorded at page 4038 of *Hansard* for October 25, 1963:

> Mr. Speaker, may I, first of all, commend the sponsor of the bill before us. I think this measure is certainly a step in the right direction.

Those are very kind words from the minister. Later he went on to say:

> The railways will make no attempt, as businesses in competitive spheres must do, to make these lines pay and to make them effective and efficient. If they decide the line does not make money easily their attitude is: "Let us get rid of it; let us fold it; never mind the effects on the localities and on the people." I suggest that any corporation that has had a monopoly from the

people of Canada and has milked it for all it was worth when the cream was good has no right to abandon a line to the detriment of the people in the locality, without making very adequate compensation to the people there for the abandonment of the line.

The hon. member who proposed the bill has taken a step in this direction and, as I said earlier, I think he is to be complimented and highly commended for this step.

Again very kind words.

I wonder whether he has gone far enough. In hearing his well presented and documented speech—

Again very complimentary.

—I wondered whether it would not be advantageous to the people in these areas and more proper, in view of the fact that the railways have used these lines which were very largely granted from the public domain, if the railway when it wished to abandon a line would have to return the right of way to the public domain. I wonder how many applications for railway line abandonment we would have if the railways were told: "That is fine; you can abandon the line if it is in the public interest of the locality, but if you do so any land—"

The hon. member for Rosedale (Mr. Macdonald) also took part in that debate in 1963. He raised an objection to the bill under discussion at that time on the grounds that it was ultra vires the parliament of Canada, that property rights properly come under the jurisdiction of the provinces, and if the parliament of Canada undertook to dispose or direct the disposal of property owned by a corporation such as a railway company, after the line was torn up and the service discontinued, this would be wrong because the property reverts to the original owner and is held as any ordinary property is held. In other words, for the federal government to direct the disposition of such land would be beyond its powers.

This matter was not decided at that time. The point of law still remains unsettled. Arguments were presented in favour of and in opposition to it, but I would like to put on the record again some of the comments of the hon. member for Rosedale, as recorded at page 4042 of *Hansard* for October 25, 1963. Aside from the position of the federal government in the matter he said:

I do not disagree at all with the concern expressed by the hon. member for Middlesex West (Mr. Thomas) with regard to the fact that a piece of industrial wasteland may have been created, nor do I disagree with the remarks made by the hon. member for Renfrew South (Mr. Greene) that the particular railway should not be able, without any financial cost, merely to abandon the line and let it lie. But the point I was making is that this should be governed by the local planning authority. The jurisdiction over this should be exercised by local people who make plans for the use of real property within a particular community.

That fits in with the suggestion I have made that for each abandoned line there should be an abandonment planning committee established to plan for the conditions under which abandonment might take place.

What I am saying in connection with land which is purely the land of a particular locality, is that the locality should decide. The people should not have to come to Ottawa. They should not be forced to the expense of coming to the Board of Transport Commissioners to say how the land is going to be used.

• (4:40 p.m.)

From a legal standpoint this question is amply clear for the reasons I have cited. We have already got pronouncements of the Judicial Committee of the Privy Council with respect to jurisdiction over land declared to be for the general advantage of Canada. We have the clear statement of the Board of Transport Commissioners, a statement of law on which appeal was available, but upon which no appeal has been taken, that in fact the land has ceased to be part of the railway operation.

He goes on later to say on the same page:

It is not so much a question of whether something should be done about this problem created for a community, when industrial wasteland exists after railroad tracks are torn up. I agree it is not that question, but the question is by whom should it be done?

Now that we are considering amendments to the Railway Act in general, I submit that this is a good time to make provisions in the legislation to take care of these abandoned rights of way and those other things which have to be taken into account when a branch line is abandoned.

We have acclaimed the Agricultural Rehabilitation and Development Act which aims at the creation of economic farm units as a good conservation plan. We should apply some of these principles of conservation planning to the rehabilitation of farm lands which are affected by abandoned railway lines. Provision should be made through the Board of Transport Commissioners for suitable disposition of abandoned railway property to prevent its becoming a nuisance, a source of damage or a menace in the communities where abandonment takes place.

Mr. Justice Rand, at page 290 of the reports of the Supreme Court of Canada for 1958, in discussing property rights under the Railway Act describes section 198 of this act as:

An extraordinary power created by parliament which, being its creator, could modify it to whatever extent or in whatever manner may be considered advisable.

It is submitted that parliament, having created the Railway Act to govern the operation of railways, should also have the power to provide for the conditions under which they should be abandoned. That is what I am proposing.

The proposed amendments to the Railway Act as contained in this bill are of paramount importance to this country. This bill is one of the most important pieces of legislation this parliament will have to consider and we must approach it with great caution. There are overriding differences of opinion about the changes which should be made in our railway legislation because these changes affect different regions of the country.

The prairie provinces—the great grain growing areas and the so-called bread basket of Canada—require certain concessions under our railway legislation. They have always had certain special rights under this legislation, one of which is the Crowsnest pass agreement. The Atlantic provinces are in the same position. Special privileges and rights have been given them under our railway legislation. We should avoid any hurried amendment to this legislation. We must take our time and give careful consideration to every step in this process. For that reason I wish to move an amendment.

My amendment seeks further investigation by the standing committee on railways before the house proceeds further with this legislation. I think it would be of great advantage to the members of this house to have before them a report of a committee which had heard representations by interested parties in Canada, including provincial governments, wheat pools, railway companies, shippers, consumers and others who will be affected, before second reading is given to this bill.

I move, seconded by the hon. member for Kent (Ont.) (Mr. Danforth):

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

This house, while prepared to support the principle of a national transportation policy, is of the opinion that, owing to its complexity, the subject matter of this bill be referred to the standing committee on transport and communications for consideration and report, without prejudice to the further proceeding with the said bill later this session.

Mr. Pickersgill: Mr. Speaker, before you put the motion perhaps I could ask Your Honour to consider at this time or subsequently whether or not a motion of this sort is in order at this stage of our proceedings.

[Mr. Thomas.]

Mr. Deputy Speaker: Before I make any comment on whether or not the amendment is acceptable, perhaps hon. members would like to express their opinions.

• (4:50 p.m.)

Mr. Pickersgill: Mr. Speaker, it does not seem to me that this is a proper amendment because it does not say whether the house should or should not proceed with second reading of the bill. It makes the suggestion that something entirely different should be done without prejudice to the order paper. I do not see how an amendment can be moved that does not prejudice the order paper and still be a proper amendment, if the word "prejudice" means anything at all. Moreover, it seems to me that this amendment, or purported amendment, deals with the subject in another way entirely, though the subject is perhaps the same as the subject matter of the bill. What the amendment proposes is something that is so essentially different that it would appear to me that if this kind of motion was in order at all it would require to be treated as a substantive motion requiring notice. I would have thought, Mr. Speaker, that unless the amendment proposes to do something substantially different from the second reading of the bill it is not at this stage in order.

Mr. Knowles: Mr. Speaker, it may be that the form in which this amendment has been moved varies somewhat from second reading amendments that have been allowed in the past.

Mr. Pickersgill: It certainly does.

Mr. Knowles: But it does seem to me that Your Honour should take a good look at the amendment in the light of citation 382 of Beauchesne's fourth edition. I know it is very easy for the government to rise every time there is an amendment on second reading, every time there is a request for the subject matter of a bill to be considered before second reading is voted on, simply to say that it cannot be done.

I suppose it is foreign to procedure as we practice it in the House of Commons to suggest that we should follow common sense, but it seems to me that there is common sense in the suggestion that as complex a bill as this might be looked at by a committee, with that committee reporting back to the house before the house decides on the principle on second reading.

I suppose I have quoted citation 382 in this house scores of times, but having read it again just now it seems to me there is a phrase in it which does provide a basis for the validity of this amendment. May I read citation 382 in its entirety and then draw to Your Honour's attention one particular part of it. I might point out that the citations previous to 382 refer to the second reading stage of debate. Then citation 382 says:

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—

That is what the hon. member to my right has done. He has moved an amendment to the question for second reading.

—a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

The part of that citation to which I think Your Honour will have to give a great deal of weight is the phrase "or seeking further information in relation to the bill by committees." Could you ask for a more apt description of the amendment which the hon. member for Middlesex West has moved? He says in his amendment that this is a complex bill, that we should not be asked at this point to make a decision on it, that in some way it should remain before the house with regard to what our decision on second reading is to be but that before making that decision we have the right to seek further information in relation to the bill through a committee.

I know how long is the list of amendments to the second reading of bills which have been ruled out of order. I know the citations and the precedents that have been quoted. But surely this is an unusual situation in that we have before us a bill with so many principles in it that one cannot talk about the principle of the bill, a bill that amends several acts, a bill that, as the Minister of Transport himself says, affects our life and concerns us almost more than language and religion. Surely it is the part of common sense to have such a bill discussed and examined by a committee before we are called upon to make a decision on second reading.

I am speaking to the point of order raised by the Minister of Transport, but I cannot help but say that I like what this amendment asks for. The amendment seeks to avoid saying no to the bill at this point. It asks the House of Commons to take the common-sense approach of letting a committee of this house study it carefully and report back to us, whereupon we might continue with the debate on second reading and reach a decision on principle.

I am fully aware of the fact that what I am arguing for is a departure from what has so often been the practice. I realize that it may seem to come right up against the whole theory of responsible government namely, that the government brings in its bills and we have to take them or leave them as they are. But times are changing; there are revolutions, quiet and otherwise, around the place, and it seems to me that if what we are asking for has common sense on its side it ought to be considered by this House of Commons.

Mr. Fulton: Mr. Speaker, I do not wish to add very much to the comprehensive argument put forward by the hon. member for Winnipeg North Centre on the point of order, but I should like to refer Your Honour to some precedents whereby parliament, the parliament of Westminster at any rate, has allowed the second reading of a bill to be deferred and the bill to be referred to a committee for consideration and report, exactly as has been suggested here.

May I first of all remind Your Honour that the authority for this proposition is found in the citation of Beauchesne that has been referred to, and it is quoted there as a precedent applicable to proceedings in the Canadian House of Commons. Beauchesne rests his authority on May, and the relevant citation is to be found in May's 17th edition at page 527, subparagraph (3).

• (5:00 p.m.)

It—

That is the house.

—may seek further information in relation to the bill by committees.

This is a citation with respect to the English parliament which is carried forward on the authority of Beauchesne as applicable to the Canadian parliament. The citation then gives some examples of cases where it has been done in the English House of Commons. I admit freely that the citations refer to instances some scores of years ago but, Mr. Speaker, the point is that they are there as citations and authorities still binding and applicable in the English House of Commons.

Notwithstanding their age, what is good for Sir Erskine May's Parliamentary Practice, 17th edition, is good enough authority for me.

I now want to refer to one typical example which took place in 1875. A bill entitled The Bankers Act Amendment Bill was under consideration and a motion for second reading had been moved. An amendment was proposed that the words after the word "that" be left out, as is the English form or amendment, in order—I am now eliding the actual form of the amendment but not its substantive parts—that the following words be substituted therefor:

A select committee be appointed to consider and report upon the restrictions imposed and privileges conferred by law on bankers authorized to make and issue notes in England, Scotland, and Ireland respectively.

In other words, the amendment asked that instead of giving the bill second reading the subject be referred to a select committee in order that they might consider the whole scope of the matter which was proposed to be covered in the bill, the second reading of which had been moved. That amendment was allowed to stand, was subsequently voted upon and was carried. An order of the house then issued that a select committee be appointed, etc.

I have chosen that particular example because this was a case not just of a simple reference to a committee without any qualification but a reference to a committee in order that it might consider the whole ambit of the subject matter of the bill. This is exactly what is sought to be done in the amendment now before the house. Therefore, in addition to the argument put forth by the hon. member for Winnipeg North Centre, the argument of common sense, and the application of the citation in Beauchesne, I submit this precedent—and others referred to in May—as having been actually accepted and in accordance with our parliamentary practice.

Mr. Turner: Mr. Speaker, first of all I wish to reply on the point of order to the argument just adduced by the hon. member for Kamloops. He referred to May's 17th edition, page 527, the third subparagraph. That section of May deals with what has been termed a "reasoned amendment". It reads:

It is also competent for a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move what is known as a "reasoned amendment." This amendment is to leave out all the words in the main question after the word "that" and to add other words;—

A reasoned amendment according to May may be one of several categories. There are three categories and the hon. member for Kamloops referred to the third one. The first is that such an amendment may be declaratory of some principle adverse to, or differing from, the principle, policy or provisions of the bill. The amendment before you does not do so because it says:

This house, while prepared to support the principle of a national transportation policy—

In other words, it does not contain a principle adverse to the bill. The second category in May's opinion reads as follows:

It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.

That, with respect, this amendment does not do. It is obvious therefore that the hon. member for Kamloops had to rely on the subsection which reads:

It may seek further information in relation to the bill by committees, commissioners, the production of papers or other evidence.

What he did not do, and I am sure he did not do this deliberately but in order to save the time of the house, was to continue reading the citation. It continues:

Such amendments have tended in modern times to become rather stereotyped and are confined generally to the first two categories.

In other words, the citation from May suggests that the third category recited by the hon. member for Kamloops has become rather stereotyped and has been abandoned. It then goes on to say:

An amendment, urging the setting up of a select committee to consider the subject matter of a bill, might be moved and carried, if the house were averse to giving the bill itself a second reading and so conceding its principle.

This amendment concedes the principle of the bill. If I may refer Your Honour to its terms, it reads:

This house, while prepared to support the principle of a national transportation policy, is of the opinion that—

I want to refer you to page 528 of May, which follows the citation brought to Your Honour's attention by the hon. member for Kamloops. It is said there that the effect of carrying a reasoned amendment is to delay and impede the progress of the bill. It then reads as follows:

It must be borne in mind, however, that the amendment, if agreed to, does not necessarily arrest the progress of the bill, the second reading of which may be moved on another occasion. The

technical effect of such an amendment is to supersede the question for now reading the bill a second time.

That being so I would suggest, as the Minister of Transport has already submitted, that this is a substantive and superseding motion and therefore would require notice.

I now wish to refer to the citation brought to Your Honour's attention by the hon. member for Winnipeg North Centre. He referred to Beauchesne's fourth edition, citation 382, which is to be found at page 277 of that reference. It 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, commissioners, the production of papers or other evidence or the opinion of judges.

It then refers to the citation in May recited to you by the hon. member for Kamloops. However, I suggest to Your Honour that the governing words are:

> —a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill—

Here again this amendment states in broad terms that this house is prepared to support the principle of a national transportation policy.

Mr. Fulton: That is only one of the principles.

Mr. Turner: If I may in turn refer to another citation, citation 202 (15), found at page 170 of Beauchesne's fourth edition, I would point out that Beauchesne is referring here to amendments on second reading. The citation reads:

> An amendment approving part of a motion and disapproving the remainder is out of order . . . An amendment was moved that the house welcomed certain terms of the agreement and condemned several features of it. The speaker ruled it out because (a) the portion of the amendment which approved the agreement was useless as it suggested no change in the main motion, and also, (b), an amendment to disapprove what the main motion approves is nothing but an expanded negative.

In other words, this amendment is in the form of a disguised negative. It purports to support the principle of the bill but would have the effect of killing it because it would indefinitely postpone second reading.

• (5:10 p.m.)

The hon. member who introduced the amendment said, and the amendment itself says, that the matter is so complex it ought to be referred to the standing committee on transport and communications for consideration and report. The rules of this house provide, and the minister has given an undertaking as well, that this will happen after second reading is accorded to the bill. There will be, therefore, the same opportunity for witnesses to be heard and for the bill to be examined clause by clause. The advantage of that procedure is that the bill will be moving forward in accordance with the usual procedure of this house. If the subject matter only were to be referred to the committee rather than the text of the bill, witnesses would be heard but there would be no direct reference to the clauses which comprise the intended statute. I suggest to Your Honour that the amendment would have the effect of placing the committee in limbo without anything specific before it except the vagueness of the words "subject matter".

The hon. member for Winnipeg North Centre admitted that if the course outlined in the amendment were followed it would be a departure from the standard practice of the house. If the ordinary procedure were followed we would move this bill forward with no prejudice to the rights of this house, to the rights of the committee or to the rights of the people of this country to be heard. We should proceed with second reading of the bill and in the ordinary course the bill will arrive before the same committee with the same personnel as the hon. member seeks to have consider the bill by way of this circuitous amendment.

Mr. Pickersgill: Perhaps Your Honour would permit me to draw attention to the nearest parallel case which I have been able to find. It is not exactly parallel because, in this particular case when the farm machinery bill was before the last parliament on September 28, 1964, an amendment was moved by the hon. member for Edmonton-Strathcona. A subamendment was attempted to be moved by the hon. member for Peace River. I admit that to that limited extent that is a difference. The subamendment was ruled out of order by the present Speaker, who was then Deputy Speaker, on the ground that the subamendment proposed at one and the same time to take the question out of the house

and keep it here. The subamendment contained the exact words that are in this amendment, "without prejudice to the right to proceed with the motion for second reading." As I say, the present Speaker, when Deputy Speaker, ruled the subamendment out of order. In those days we could appeal the Speaker's ruling, which I am glad we cannot do now. An appeal was taken and the house sustained that ruling. I suggest this precedent is more relevant than precedents in the British parliament in the eighties of the last century.

Mr. Thomas (Middlesex West): If I may say a word on the point of order, I should like to stress the view that was expressed by the hon. member for Winnipeg North Centre. This appeals to him as a sensible amendment. It does not seek to stall the bill or destroy it. All that is sought here is further information. I submit to you, Mr. Speaker, that the members of this house will be in a better position to vote on second reading, which is a very important stage in our procedure. If we vote for second reading we accept the bill in principle. I understand that it then goes to a committee for consideration, but when we accept this bill on second reading we have committed ourselves irrevocably to the processing of the bill.

It is true that we can vote against it on third reading, but we are going rather far in giving it second reading. There are serious questions in the minds of many members concerning some features of the bill. Generally speaking, we are in favour of a national transportation policy. However, I know that some members have grave doubts about the advisability of certain features of this bill. If the bill were sent to a committee before second reading I am sure that the information that would be brought forth would be of great value to every member of this house in reaching a conclusion on second reading.

Mr. Deputy Speaker: Perhaps the Chair is in a position now to render a ruling on the amendment moved by the hon. member for Middlesex West. I should like to thank the hon. members who have given me advice and referred me to certain citations. I recognize, of course, the difficulty that faces us when we read Standing Order 77 which says that no bill can be committed without being read a second time. I recognize the difficulty in discerning the difference between the bill itself and the subject matter of the bill. Whatever personal views I may have about how a difficult bill of this nature should be handled by this house, the Chair is faced with the problem of deciding whether or not the amendment is in order in accordance with our rules and our precedents.

May I first of all refer the house to that section of the amendment which reads:

> —without prejudice to further proceeding to the said bill later this session—

I am not sure what this means. If it means that the bill is to remain on the order paper for second reading and at the same time the subject matter is to be referred to a committee, then we arrive at the position where we are trying to have it both ways. We arrive at a position similar to the one upon which Mr. Deputy Speaker Lamoureux ruled on September 28, 1964.

May I refer hon. members to citation 386 on page 278 of Beauchesne's fourth edition which reads:

> On the second reading of a bill, the house may decide to refer the subject matter thereof to a commission although the bill could not be referred to a committee of the house before its second reading. (The subject matter of the bill and the bill itself are two different things).

Also from the same page I read the following:

> This amendment was as much a declaration of policy as if it stated that the question of adjusting the railway rates on grain should be investigated by the Railway Board.

I would take it from this citation that referring the subject matter of this bill to a committee is a declaration of policy. Having said that, may I refer members to citation 393 which reads as follows:

> An amendment purporting to approve the principle of a bill and at the same time enunciating a declaration of policy cannot be moved to the second reading.

It is for this reason that I declare the amendment out of order.

Mr. Pickersgill: I wonder if at this stage of the proceedings, in order to give a reasonable amount of notice to hon. members, I might move, pursuant to standing order 6(2), that the house continue to sit after six o'clock.

• (5:20 p.m.)

Mr. Deputy Speaker: The hon. member for Skeena.

Mr. Howard: Mr. Speaker, I am not sure just what is going to occur and I was waiting to see. I want to enter the debate on second reading. If you are going to do anything with respect to the proposal put forward by the

Minister of Transport, I wonder whether that should be done first or just what is the procedure with respect to it.

Mr. Deputy Speaker: Order. It has been moved by the Minister of Transport (Mr. Pickersgill), seconded by the Minister without Portfolio (Mr. Turner), that pursuant to standing order 6(2) the house continue to sit after six p.m.

Mr. Starr: Is any time for adjournment specified in the motion? Normally when a motion of this nature is put the time of adjournment beyond the hour the house normally rises for adjournment is stated. Would the mover of the motion stipulate the time of adjournment after six o'clock which he proposes?

Mr. Pickersgill: I do not think it would be reasonable to suggest sitting beyond ten o'clock.

Mr. Starr: Could that be included in the motion?

Mr. Pickersgill: It could be understood.

Mr. Starr: I think it better to stipulate it.

Mr. Pickersgill: I would be quite happy to have it made an order. It is a moral guarantee.

Mr. Deputy Speaker: I must point out to the house that this is not a debatable motion. Standing Order 6 (2), which I will read to the house, states:

A motion that the house continue to sit after the hour specified in section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places—

Mr. Howard: I am not objecting, Mr. Speaker; I just want to speak on second reading.

Mr. Southam: Put the motion. There is no objection.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I also want to address myself to the motion for second reading.

I do not want to object, but I do want to speak on the motion.

[*English*]

Mr. Deputy Speaker: Does the Minister of Transport wish to change the motion?

Mr. Pickersgill: No. I am putting the motion and I am agreeing at the same time that it should be understood that there is an order of the house that we will not sit beyond ten o'clock.

Mr. Starr: I think it is understood that the minister has said it will be understood that the house will not sit beyond ten o'clock.

Mr. Deputy Speaker: I will read again standing order 6(2).

A motion that the house continue to sit after the hour specified in section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried.

Some hon. Members: Carried.

Mr. Deputy Speaker: Are members of the house objecting to this motion?

Mr. Knowles: Mr. Speaker, now that the motion has been carried may I ask the minister whether he feels the need for a meal this evening? Could we not take one hour off for that purpose?

Mr. Deputy Speaker: Order. Less than ten members having risen in objection to this motion, the motion is deemed to be carried.

Motion agreed to.

Mr. Knowles: I was not objecting to the motion Mr. Speaker; I was asking the Minister of Transport a question.

Mr. Pickersgill: I should like to reflect on the question for a while.

Mr. Frank Howard (Skeena): Mr. Speaker, there are times when I have a certain amount of compassion for the Minister of Transport (Mr. Pickersgill) but as he is not really interested in listening to me I will not bother expressing my views in that regard at the moment.

There are certain aspects of the bill which are appealing. One is that it seeks to consolidate into one agency the regulatory functions relating to a variety of modes of transportation. Another is that there is an enunciation of national policy with respect to transportation itself. There are, however, other facets of the bill which are not appealing and which tend on balance against a favourable disposition being made of it. One of these is the fear

of the establishment of a bureaucratic monstrosity, as the Minister of Transport expressed it. At the time he said that, he said that he hoped it would not become such, that it really was not the intention of the government that it would become such.

Mr. Turner: On a point of order, Mr. Speaker, I would respectfully say to the hon. member that I do not think that was the minister's expression. He said that some other people may have called it that.

Mr. Howard: I will accept that correction, Mr. Speaker. Some people may have called it a bureaucratic monstrosity, but without referring to the minister's exact words I think he said that he hoped it would not be and that it was not the intention of the government that it should be. However, regardless of whether the minister felt that it might or might not be, nowhere in the legislation is there any guarantee that it will not be. Nowhere is there any check or balance against its being a bureaucratic monstrosity.

We now know that certain boards and commissions established under the aegis of federal law are in fact bureaucratic monstrosities. They do exist at the moment, so much so that some of them are in effect able to thumb their collective noses at what parliament may desire and go along in their own merry way regardless of the desires and opinions of the Canadian public. That is the fact in certain areas.

As there is no guarantee, check or balance in the legislation against this commission becoming a bureaucratic monstrosity, I doubt that we should give the final stamp of approval to something of this nature. That is one of the facets of this legislation which is not appealing to me.

Another facet is that there is an open-ended and unenunciated quality in the matter of freight rates. If there are adjustments upwards in freight rates we all know that the freezes and guarantees established at the moment, and which apparently are to be perpetuated, will be paid for in large measure by those of us who live in the western extremity of the nation. For instance, the north line of Canadian National Railways has perhaps as high a freight rate structure attached to the commodities carried along it as any other area in Canada, and those of us who live in that part of the country certainly do not feel the frozen rates structure that exists in other that we should have to subsidize even further parts of the nation. This is another facet of the bill which does not appeal to me.

• (5:30 p.m.)

Perhaps the most important reason why the bill does not have the appeal it should rests in the very history of the Liberal party. I am making special reference here to the history of the Liberal party with regard to the one form of transportation to which the minister studiously avoided referring—shipping. He made a couple of passing references to water transport but he did so in the historical sense that this was the way Canada had developed and so on, and that there was a competitive feature about water transportation on the lakes. Beyond that there was not a single mention of the very important question of shipping and of the manner in which it affects the people of this nation, particularly those who live in the coastal extremities.

The needs of both the east and west coast have not been given, in my hearing at any rate, any examination in this house. Certainly, as I said, the minister avoided reference to this subject. Representing a constituency on the Atlantic coast, as he does, the Minister of Transport above all others should automatically have thought in terms of the effect that shipping would have on the communities on the Atlantic coast and he should have outlined the intention of the legislation with respect to shipping as a means of transport. The British Columbia coast undoubtedly has such needs.

With regard to the history of the Liberal party one cannot help remembering that it was in office at a time when our merchant shipping fleet was almost wiped out of existence, at a time when that fleet was transferred to other nations, and at a time when we could have established and maintained a merchant shipping fleet in this nation. It was a Liberal government that refused to take cognizance of the necessity for a country such as Canada to maintain a shipping fleet to carry commodities in domestic trade as well as commodities in import and export trade.

We cannot help but recollect that it was a Liberal government that permitted the subsidy provisions for shipbuilding, instituted by Mr. Balcer, I believe, when he was minister of transport in the Conservative government, to lapse. The shipbuilding subsidy had had an effect on the activity in the shipyards of this nation. When it came time for the shipbuilding subsidy to be reinstituted it was reinstituted in such a way and at such a level

that it favoured only a few of the larger shipyards in Canada and did nothing really worth while to promote a healthy shipbuilding industry and consequently a healthy shipping industry.

It is a Liberal government that has so far steadfastly refused in respect of shipping to deal with such matters as manning scales, and safety measures with regard to sailors and ships sailing in our waters. That matter is still up in the air. Admittedly it is not within the scope of the bill, but it is a subject with which the government should be concerned. Those are just a few examples of the attitude that the Liberal party has historically had to shipping, an attitude that makes the whole bill less appealing to me than it otherwise might have been.

May I speak about the coast of British Columbia. I do so because I am familiar with it, and I leave the analogies with respect to the east coast to hon. members who are more familiar with that area than I am. I have discussed extensively over a long period of time with my colleague, the hon. member for Comox-Alberni (Mr. Barnett), what I am about to raise. The communities on the coast of British Columbia are at the mercy of the shipping interests and suffer from the whims of the shipping interests and shipping companies. I should like to quote a case in point.

We have in the north coastal area, within my constituency, the Queen Charlotte Islands which are separated from the mainland by a body of water varying in width from 40 to 50 miles at one point to somewhat greater distances toward the southern tip of the islands. Shipping is the only way in which heavy materials and commodities can be transported to the Queen Charlotte Islands. The only other mode of transportation is by Canadian Pacific Airlines which carries only passengers and relatively light freight and express items.

Northland Navigation, a shipping company, at one time serviced the Queen Charlotte Islands. The company received, as does the present company, a subvention from the Canadian Maritime Commission of $3,000 to $4,000 a year. Northland Navigation Company, regardless of the fact that it was receiving from the public treasury a subsidy to provide passenger service to certain communities, admittedly not only the Queen Charlotte Islands, decided that it was no longer worth while or no longer of interest to it to service the Queen Charlotte Islands on the direct run from Prince Rupert. It discontinued the service and left the people living on the northern part of the islands, who relied to a great extent upon Northland's schedule to travel between Prince Rupert and the Queen Charlotte Islands, completely up in the air with no shipping transportation. This condition prevailed for some period of time until the former owners of Northland sold their interest to somebody else.

That example is one of a number of similar ones on the west coast which show that communities have had their interests completely disregarded because of the whims of shipping companies. Even in the midst of the Christmas season, when people expect Christmas gifts to be transported, when people expect to use the shipping on the coast to go home or to visit friends or relatives in other parts of the province, communities have found that the shipping company involved has suddenly decided it was not in its interest to make a particular run at Christmas time. The result has been that hundreds of people have been left stranded, unable to go where they wanted, and Christmas parcels have been left on the dockside or in the warehouse simply because the shipping company felt it was not in its interest to make a trip at that particular time. As we see it, the only way in which there can be any sort of reasonable or rationalized, if that is the word, transportation system on the coast of British Columbia is if there is an integrated structure involving aircraft, ships, highway transport and the three railroad facilities.

I have taken up this matter on a number of occasions with both the Conservative government and Liberal governments but to no avail. It appears that regardless of how knowledgeable the Minister of Transport and his officials may be about the needs of the people living along the coast of British Columbia, those needs have been completely pushed to one side in the preparation of this bill. Certainly they were completely forgotten in the introductory remarks of the minister.

• (5:40 p.m.)

It is interesting to compare our treatment of Canadian shipping with the way in which United States shipping is treated by the authorities of that country. I understand that in the United States there is a law which provides that commodities cannot be transported from one port to another in the United States except by United States ships. There was an incident at Prince Rupert when a transport truck carrying cement, I believe, from somewhere in the United States boarded the

Queen of Prince Rupert and left that vessel at Prince Rupert with the intention of proceeding to some part of Alaska by way of the Alaska state ferry system. The truck was detained or confiscated. In any event something happened to it because United States officials said the law had been contravened in that part of the trip had been made in other than a United States ship.

However, when Canadian goods are being shipped we take a much more lenient point of view and permit without question the shipping of goods from one port in Canada to another port in Canada by way of United States vessels, for example, from Prince Rupert by the Alaska ferry system up to the Skeena River. A portion of these goods could be transported by us but this is not being done. If we had a government which took the least interest in the development of northern British Columbia and had continued assistance to that province under the roads to resources program we might not have to tolerate a situation where our goods are shipped in vessels owned by the United States. We might by now have seen the Stewart-Cassiar road in such a condition that the transfer of heavy materials by truck into the areas being developed north of Stewart and Prince Rupert would be possible.

This is an example of the history of blindness on the part of the present government concerning the need for the development of transportaton on the coast of British Columbia and in the northern areas, and nowhere in this bill do I see even an inkling of an understanding of these problems. If the Canadian National Railways had any hope of promoting northern development, either that company or the government would have at least undertaken some time ago a survey looking toward the extension of the line northward through Hazelton to the Yukon panhandle and the Cassiar district so that the transport of goods and materials to this rapidly developing area just north of where I live might be possible.

It is incongruous that in his presentation of this bill the Minister of Transport should be making a great play about the necessity for expediting grain shipments while his colleague, the Minister of Agriculture, is saying on the other hand that we do not need additional facilities at the grain elevator in Prince Rupert. The Minister of Transport talked about the great need for shipping large volumes of grain faster and more economically. I am certainly not unfavourably disposed toward more efficient grain handling or heavier grain shipments to other parts of the world, because this is a vital part of our economy and is no doubt of great value to the grain farmers on the prairies. But I am disturbed when I find one minister talking about the necessity for increasing grain shipments while another minister in the same government refuses to build the necessary extensions to a publicly owned terminal elevator in the city of Prince Rupert at the C.N.R. terminal point on its northern line.

There are two other aspects of this subject which I should like to mention before I finish. They are matters with which I believe the bill should have been concerned and which make me feel I cannot support the measure in its present form. They are the two vitally important questions with which this house and the whole nation were concerned only a few days ago.

I refer to the position in which railway workers find themselves not only with regard to their wages, hours and working conditions but as individuals faced with automation or technological change and the desire of the railway companies to run trains greater distances with the same crews. We appointed a royal commission to look into this question in great detail. Recently we have also seen more than 100,000 rail workers out on strike, not so much because they were concerned about their wages, though this was an important factor, but because they were concerned about the steadily declining opportunities for continuing work within the railway system. The men are concerned about the future of their jobs and the effect of automation and technological change upon their employment. They have lived in this atmosphere for the past 15 or 20 years since the advent of the diesel engine replacing steam. They have seen the decline of the old roundhouse, the laying off of certain classes of employees, including men with 15 to 20 years of service. They have seen terminal points closed because facilities were no longer needed. They see no end to the process.

We spent nearly the whole of last week dealing with one aspect of conditions on the railroads of this nation. Railway workers and others have been concerned for years about automation and the potential working life of a railroader. This is a question whose answer melts into vagueness when one considers the possible effects of automation. But the bill before us is silent on these matters. It is as

though the government wished to ignore completely the real cause of the difficulties and deal only with the superficial aspects. For these reasons I cannot bring myself to support the bill in its present form regardless of how appealing some parts of it may be.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, as a member of the committee on transport and communications and as a representative from western Canada, a large proportion of whose population would be directly affected by the passage of the legislation incorporated in Bill No. C-231, I feel impelled to take part in this debate.

I agree with many hon. members who have spoken that the objective of this bill is good. We in Canada have been carrying on a patchwork system of transportation for the last 60 years. We have taken old acts and amended them on a piecemeal basis. We have now reached the conclusion that a completely new concept of transportation in Canada is long overdue. Under the leadership of my right hon. friend from Prince Albert this party appointed the MacPherson royal commission in 1959 to look into the subject of transport and make recommendations.

• (5:50 p.m.)

It has been agreed by the minister and by other hon. members that the recommendations made seven or eight years ago were exceptionally good, but in the intervening years conditions have greatly changed to such an extent that I feel the whole concept of Bill C-231 is wrong. It denotes more or less a spirit of pessimism rather than of optimism. This point was well demonstrated in the speech of the hon. member for Qu'Appelle (Mr. Hamilton) in reply to the minister's comments when introducing the bill.

When the MacPherson royal commission report was received we in the west had gone through some economic setbacks because of crop failures with the result that railway revenues had gone down. But since then, as emphasized by the hon. member for Qu'Appelle, grain production in western Canada has almost doubled with the result that railway revenues, even though the companies are using about the same amount of rolling stock and the same number of miles of line, have doubled in the transportation of grain.

In addition, a great new development has taken place in the mineral industry of Saskatchewan to the extent that within the next five or six years railway revenue derived from the transportation of potash will equal and possibly exceed the total amount realized through grain handling. The population of the west has also increased. Other industries are also developing. So it stands to reason that the railroads should have greater revenue.

Instead of an attitude of pessimism with respect to the economics of railroading I believe we should take a serious look at the principle of this bill covering subsidies and giving privileges to the railroads to increase their revenue by raising freight rates. This is a matter which was ably dealt with by the hon. member for Acadia (Mr. Horner) in his speech yesterday when he referred to the various levels of rates, particularly non-competitive rates and class rates. It is a matter of deep concern to people who have studied the bill.

Cost accounting techniques are another subject of grave concern. It is something which many witnesses discussed before the standing committee on transportation both in relation to Bill C-120, which we dealt with at great length in 1964, and in relation to the work of that committee this spring when its members took a trip west to study the problem incurred by the discontinuance of the C.P.R. Dominion passenger train. On each occasion witnesses indicated their concern about the figures we were going to consider when we would finally get around to dealing with the bill now under discussion.

The very title of this bill, "An act to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions," is so wide in its scope that people are worried about it. Most Canadians realize that there is a necessity for new transportation legislation. I know the members of this party are in agreement with the principle that we should have new legislation, and the sooner the better, but because it is of such grave importance this legislation must be given the greatest study under the most ideal conditions and with the assistance of the best advice we can get from Canadian experts and possibly experts from outside the country.

As is clear from the evidence given to the MacPherson royal commission there is a great difference of opinion on the matter of cost accounting. We had to go outside Canada to get independent cost accounting experts to assist us in arriving at what we thought was a reasonable figure in the allocation of costs. On the basis of the present bill many people

across Canada have already expressed concern due to the fact that in 1964 this same government, in its wisdom, introduced Bill No. C-120, and it is now history that that legislation fell flat on its face. To illustrate that I quote a headline from the *Western Producer* of October 1, 1964 which read, "Legislation On Branch Line Abandonment Totally Inadequate, Says Pool President." Criticism is again being directed against us on this very matter and it behooves all members of the house, whether in opposition or supporting the government, to work toward a final solution to the best of our ability and enact legislation that will meet the needs of present-day Canada.

I myself have been greatly and directly interested in the problem of rail line abandonment. I do not pretend to be an expert on cost accounting. I think we should leave that angle for the experts to discuss when we deal with it in committee, but I do have quite a lot of experience with rail line abandonment because it so happens that in my own riding, one of the longest branch lines in western Canada was abandoned in 1961 after lengthy consideration by the Board of Transport Commissioners. As the member for the area strong representations were made to me regarding the abandonment of that line.

At the time I felt action should have been delayed until the MacPherson royal commission had completed its report, at which time we could have considered the abandonment of the Wolseley branch line in the light of that report rather than in the context of piecemeal abandonment. In view of that experience I have become alarmed about abandonments and am naturally sympathetic to the concern of so many people in western Canada about the future prospects of abandonment because the railroads directly affect their lives and aspirations and particularly the well-being of those people whose economy is tied in with the agricultural industry and who depend on the railroads to move their grain to market without undue cost.

Because of my concern about this matter, in 1963 I introduced Bill No. C-70, in 1965 Bill No. C-20, and this year Bill No. C-86, which is presently on the order paper, dealing with the principle of a moratorium on rail line abandonment. There is a vagueness in the government's bill with regard to this principle. It is understood that the MacPherson royal commission report with respect to railway line abandonment will be acceptable in some areas, but when abandonment is recommended I believe a definite moratorium should be provided before actual abandonment takes place. In the bill I have on the order paper I have suggested a five year period.

• (6:00 p.m.)

I am very disappointed that the government has not seen fit to be more specific in its bill. Here again there is a certain vagueness. The reason it should be more specific is the importance of this matter to people who are affected by rail line abandonment. It is hard to give a definite figure of how many people will be directly affected by rail line abandonment in Saskatchewan but if further abandonment takes place many thousands of farmers will be affected. It is estimated that in western Canada something like 4,000 miles of railway line could be abandoned. I do not think all this mileage will be abandoned because, as I suggested earlier, the economic picture has changed so much within the last six or seven years that we can prove western rail lines are not so uneconomic as they once appeared to be.

Nevertheless it is understood that there will be some line abandonments. The farmers living along these lines have for many years depended upon them for the marketing of their grain. Elevator companies have built elevators along these lines, some of which are in a very good state of repair and some of which are relatively new. In the case of abandonments the farmers will have to travel greater distances to deliver their grain and the elevator companies will have to dismantle their elevators. New techniques have been found whereby the elevator companies can move an elevator lock, stock and barrel to a new site. In some cases they may have to and will repair these elevators because they feel they can be used for several years after the railway line abandonment.

Many small family enterprises are adjacent to these lines in western Canada. We do not have large cities on the prairies and our communities are serviced by small self-contained villages and towns of perhaps 300 to 500 in population, some even smaller. Often there are two or three elevators in these villages, a family store, a service station and a hardware store. Often one will find also an independent garageman or, as was the case in days gone by, a blacksmith shop. These are small self-contained units, and many of the residents are now wondering whether there will be a definite time limit set with regard to the proposed abandonments. Surely they

should have the opportunity of disposing of their businesses and re-establishing themselves in other areas.

In areas where lines are abandoned the farmers will have to haul their grain greater distances by truck which means that the municipalities will have to budget in order to provide a better road system or, as we refer to them in Saskatchewan, grid systems. In Alberta, Manitoba and Saskatchewan there are programs under which the provincial governments contribute to municipalities for the purpose of building market roads or grid roads. There is definitely a need for a time limit in this regard to give municipalities an opportunity to budget for the extra expense because they cannot assess their taxpayers in one year to cover the total cost involved. In this regard I think there should be a five year limit to allow these municipalities to provide for the additional roads which will be required.

I believe my remarks have covered some of the basic arguments in favour of a moratorium principle. I hope the government sees fit to bring in an amendment to provide for such a principle. I am sure we will have a full discussion on this subject during our committee meetings. If such a principle is incorporated in the bill a great deal of worry will be removed from the minds of those who are going to be directly affected by this new legislation.

It is interesting to consider the economics attached to increased grain handling. I have had an opportunity to consult with a number of elevator companies' agents along some of these lines in my area, and I am thinking particularly of the Kipling-Maryfield area where over the last few years, as a result of improved agricultural techniques and the provision by mother nature of adequate moisture, there have been wonderful increases in production. I have figures in this regard which indicate that in many cases grain delivered per mile has almost doubled, in some cases from 40,000 to 80,000 bushels per mile. This has taken place over the past seven or eight years and indicates that we should take a very optimistic view about grain handling by the railways in western Canada. We should not talk about subsidies on the basis of the railway companies' figures which show that they are continually losing money in the grain handling operation.

In this regard I was very interested to read an editorial which appeared in the Winnipeg *Tribune* of April, 1964, at the time when Bill C-120 was before us. The heading of the editorial is "Odd Increase", and I think it would be of value to place at least a portion of this editorial on the record. It states:

> The Canadian Pacific Railway seems to have had a pretty good year in 1963 judging from the annual report made public this week. Railway revenues—that is the part of C.P.R. income coming directly from railway operations—amounted to more than $477 million, an increase of more than $24 million over 1962.
>
> Freight revenue accounted for $419 million of the total take. This represented an increase of $25.3 million over the preceding year or 7 per cent. Freight traffic volume increased by 12 per cent and, according to the report, grain shipments resulting from the Chinese, Russian and other wheat sales contributed heavily to the increase. But it was not only revenues that increased, profits increased as well. The net earnings actually rose by more than $6.2 million over 1962.

The editorial then goes on to state, and this is a very salient argument:

> It's rather odd that C.P.R. freight profits increased at a time when grain shipments increased. The railways have long and vigorously contended that they were losing money on the Crowsnest Pass rates charged for hauling grain. If this contention is valid, the railways should have shown a marked decline in revenues when they hauled record shipments of grain to seaboard.
>
> Maybe the railway accountants should take another look. Or better still, maybe some outside accountants should sharpen their pencils in a definitive examination of the Crowsnest rates.

I think that is a very valid comment which applies even more so today than it did at that time, particularly in view of the evidence we heard before the committee and in light of what was pointed out by the hon. member for Qu'Appelle in his speech the other evening. In view of the fact that gross tonnage volumes have increased by leaps and bounds in western Canada and the prospect that this will continue, perhaps we should be concerned about throwing this whole thing open and allowing the railways to increase their freight rates in order to recoup what they feel they may lose as a result of the Crowsnest pass rates.

There has been a good deal of reference to the Crowsnest pass rates and I do not intend to deal with this subject at any length. It is paramount to the success or failure of western Canada agriculture that we have equitable and fair freight rates. The hon. member for Peace River (Mr. Baldwin) last night in his eloquent address referred to this provision of the bill and pointed out that there was a certain vagueness in respect of this matter. This vagueness is a matter of great concern to the people of western Canada and should

be a matter of great concern to the people of eastern Canada as well. This should be a matter of grave concern to all members of the house whether on the government or opposition side.

Before concluding my remarks I should like to deal with a matter specific to my riding because I have had some experience in this regard. I refer again to railway line abandonments in the Moose Mountain area and specifically to the Blewett-Luxton branch. On this line there are three elevators at three different points with a total capacity of 77,000 bushels. These figures are about two years old but are indicative of the situation in the rural area with which I am familiar. In the areas around these three points and three elevators there are 76 farm families who will be directly affected by any rail abandonment that may take place.

• (6:10 p.m.)

Along the Corning-Peebles-Hansworth branch line there are three points, seven elevators and 279 farm families who will be affected by the proposed abandonment. The volume of grain handled up to the end of 1963 averaged 289,000 bushels at these points. In the Goodwater-Radville area in the south-west corner of the riding of Moose Mountain there are two points and five elevators. In this area 164 farm families will be affected. The average volume of grain in the area was 289,200 bushels. In the Kisby-Weyburn-Stoughton area, there are four points which would be affected. This area has seven elevators, 198 farm families and a volume of approximately 214,000 bushels of grain.

At the 12 points I have mentioned in this relatively small area of western Canada there were, at the time these figures were compiled, 22 elevators and approximately 750 farm families producing an average of one million bushels of grain per year. These figures point up the number of people who would be affected by the proposed rail line abandonments. They also illustrate how seriously these abandonments are viewed in my part of the country.

This brings me back to one of the reasons I felt compelled to speak, namely, that before this bill is pushed through the House of Commons a long and fair study should be given it in the committee, I was disappointed that the amendment of the hon. member for Middlesex West (Mr. Thomas) was not accepted by the minister. It was put forward in a spirit of co-operation following what the hon. member for Qu'Appelle mentioned the other evening, namely, that we should in a spirit of co-operation in the house consider this legislation in all its aspects, that we should consider it very fairly and not do anything to hinder its passage but at the same time make sure that when we do pass it we will have something that will be adequate to meet the needs of this great country of ours over the next 25 or 30 years.

Mr. Knowles: On a point of order, Mr. Speaker, I wonder whether the Minister of Transport has had time to reflect on the question I asked him some time ago. I would suggest that for the sake of the staff and all the rest of us we might take one hour off at this point.

Mr. Pickersgill: Mr. Speaker, I have been reflecting on the question and I think that since the house did not have a great deal of notice of the desire to sit this evening it would not be unreasonable to take some time off for dinner. But in order to give the maximum number of speakers a chance to speak I wonder whether we could not agree to reassemble at seven o'clock.

Mr. Knowles: Chiseler.

Mr. Speaker: Is it agreed that the house rise until seven o'clock?

Some hon. Members: Agreed.

SITTING SUSPENDED

At 6.16 p.m. the sitting of the house was suspended.

SITTING RESUMED

The house resumed at 7 p.m.

Mr. Jack A. Irvine (London): Mr. Speaker, I would like to take this opportunity as member for the riding of London to say a few words on what I consider to be a very complex bill. Whether or not I may be below the average level of understanding I am not sure, but at the same time I am aware that this feeling is prevalent among many hon. members in this house. I have spoken to some of my friends on the other side of the house and to many of my friends on this side and I have asked them whether they had a thorough and profound understanding of this bill. The answers I have received are: "I don't know anything about it" or "I don't understand it" and even in some cases, "I haven't even read it". Perhaps this has been so because it is a massive piece of legislation, and it is very difficult for the average person to

study adequately the entire contents of the bill as quickly and profoundly as it should be studied. I am sure there are many people here in the house, including myself, who recognize the fact that a bill is necessary and who would like to vote for it, but before voting on it we should like to have a better understanding of it.

I think that perhaps when this piece of legislation was put together three or four persons could have sat down and condensed it into capsule form, containing maybe 20 chapters. I find on reading the bill that some of its clauses are quite contradictory.

For example in the explanatory notes which appear on the unnumbered second page of the bill it said:

> Part I of this bill deals with the proposed Canadian Transport Commission which would replace the present Board of Transport Commissioners for Canada, the Air Transport Board and the Canadian Maritime Commission. Parts II and III would make provision for two other modes of transport, namely commodity pipe lines and extraprovincial motor vehicle transport.

This is quite clear to most of us. However, if we refer to page 6 of the bill we will find an outline of the personnel of this board, which is to consist of 17 members. I believe that previously these three bodies were manned by 13 people. I will not attempt to suggest that this is another effort at empire building because I do not think it is intentionally so. I do not want to be particularly argumentative in this matter, because I think we should approach the bill, not in a partisan manner but as fellow Canadians with a common interest.

I would also like to congratulate the minister on his description of the bill. Perhaps it would have been better to have heard not quite as lengthy a description from several hon. members on both sides of this house.

Mr. Pickersgill: That is what an opposition is for.

Mr. Irvine: Now, Mr. Speaker, I have some questions to ask of the minister which I hope he will answer at the end of this debate. I would like to know how many states of the United States are served by the C.N.R. branch or subsidiary lines. I am referring in particular to the Grand Trunk line which runs through to Chicago and serves intermediate points. It is my understanding that 13 states are served by this line but I would like to have this corroborated by the minister. I would also like to know whether that portion of the railway system is subsidized by our government and if so to what extent. Can the minister also inform us whether the intent of this bill is to bring an end to transport subsidies? Nowhere in the bill is this actually spelled out in black and white.

As everyone knows, we have recently been hit by a severe rail strike. Having carried a union card myself some years ago I am well aware of the trials and tribulations of the railway workers. I am of the opinion that as a result of Bill C-230 we will find ourselves saddled with an expenditure of an extra $100 million. I would like to know where this money will come from. Will it come from increased freight rates? It is my understanding that the rates in the west are somewhat higher than they are in this part of the country. I understand further that in some instances, the rates in the east are higher than in the provinces of Ontario and Quebec. Ontario and Quebec comprise what we might call the economic breadbasket, or at least the industrial breadbasket, of Canada. I am afraid these areas are going to have to carry the brunt of the increases. The people of Quebec and Ontario should be apprised of this situation in advance. This is going to be a tough blow to us industrially. It could also be a tough blow to us in trying to capture and keep some of those foreign markets, which are so important to our balance of payments picture.

• (7:10 p.m.)

Now, Mr. Speaker, there has been a great deal said in this bill with regard to rationalization. What about rationalization? In the riding I have the pleasure to represent, the city of London, we have a service that runs from London to Windsor, a distance of about 120 miles. We have one Canadian National and one Canadian Pacific line paralleling each other. So far as passenger trains are concerned, the schedules are almost identical. What a waste of money this is. These are double-tracked lines and there is no reason in the world why an arrangement could not be made whereby one line would be used. I feel that the direction for this course should come from us. There are many savings which could be effected. For instance, what about the grade separation program, toward which I believe we pay 75 per cent or 80 per cent of the cost? I know of two or three grade separations that are under study at the moment in the city of London. I do not know about Chatham or Windsor, but I am sure the hon. member for Kent, Ont. (Mr. Danforth) would have some information about that.

What about the savings that would be effected in the upkeep of tracks and in the upkeep of roadbeds? What about the savings that would be effected by the use of one station at each place, instead of two stations? Then, of course, there are the other buildings that are appended to such an operation. One more very important factor to consider, Mr. Speaker, is land use. Here we have two rights of way running through some of the greatest agricultural areas in Canada. Economists well believe that before too many years, if not now, there will not be enough land available in the world to feed all the people in the world. Therefore we must conserve these areas particularly. I am sure there must be many other areas in a similar position throughout this country of ours. I say that there are many facets of this subject of rationalization to consider. There are many things we should be considering, some of which we have not considered.

This problem we are having in connection with transportation is not something new; it goes back many years. I am going to quote some of the thoughts of Right Hon. Arthur Meighen on this subject back in 1932 or 1933, and for this purpose I shall read from the third volume of a book written by Roger Graham. There is one chapter here about which we should think for just a moment. This is written about a man who was a champion of private enterprise, and of giving all kinds of people an opportunity in this competitive country of ours. I quote:

> The question of how to deal with the railway problem, which had been before the country for so long, was one of the few important subjects on which Meighen ever changed his mind. Up to the 1930's no one had resisted more adamantly or outspokenly than he the notion, consistently advanced by C.P.R. officials and always finding some political support, that the two great railway systems should in some way be merged. By the time the Duff Commission reported, however,—

I think that was 1934.

> —he had become convinced that unification of some sort was the most hopeful way out. "Confidentially," he wrote to a member of the commission, "I may tell you that I have been for two years firmly of opinion that the interests of the whole nation would be best served by a placing of the one road under the other for co-operation, and a distribution of the earnings among the securities of both in an equitable manner . . . The public interests will be looked after by the railway commission supplemented by additional powers from parliament, if desired." What had brought him to a conclusion he had so often rejected in the past? For one thing, what seemed to him the carnival of extravagance which marked Thornton's presidency of the C.N.R. has disillusioned him somewhat with public ownership of railways in practice. The trouble lay not in the experiment of public ownership having been tried in the first place, as Beatty was contending in a series of public speeches, but in the way the experiment had been conducted after 1922 when Thornton had succeeded D. B. Hanna.

Perhaps, Mr. Speaker, the time has come when we should give very serious thought to a scientific and economic study of transportation, a study in depth taking into consideration air, rail, shipping, pipe lines, etc. I mean a study in depth and not just one of those superficial things. For instance, after the second world war the then Liberal administration—I am going to throw them a bouquet because I think it is due them—set aside $50 million a year for the development of atomic energy for peaceful purposes. This was a good thing. As a result of this move Canada today is recognized as one of the leading nations of the world in the use of atomic energy for peaceful purposes. This was a far sighted program. What about the future now? Are we far sighted?

When the last spike was driven in the trans-Canada railway, we sat back with a feeling that we had it made. Things have changed. We are in a new era. We have to look for new means of transportation. Perhaps some of these things may seem to be away out in left field. Our big problem today is simply this, that we have to move goods and people and move them quickly and economically. In so far as bulk products are concerned, for instance, we may consider the pipe line. The movement of oil and gas by pipe line has been a great boon to this country. One cannot imagine moving such a great volume of oil or gas by any other medium at the present time.

• (7:20 p.m.)

Let us consider this in terms of other bulk items, because there may be ways more economical than those now used. The University of Alberta at the present time is studying new techniques—techniques which would amaze you—for the movement of bulk products by pipe line, such things as coal and sulphur. And why not?

I recently read an article—which I did try to find, but failed, because I thought it particularly interesting—which reported that a group of economists in the United States had stated that in ten years sulphur would become one of the most valuable items in our way of life. Put packages wrapped in neoprene, or whatever they wish to use, into a

pipe line, and it takes very little effort to move them great distances.

These ideas may be somewhat far out, but we have to look ahead to new ideas and techniques. For example, has it ever been considered that instead of using railway lines it might be cheaper to ship our wheat year round from the lakehead? Of course, this would entail the use of icebreakers and nuclear reactors, but how much would this cost us? Has a study ever been made to determine its feasibility? It might be more expedient to do this, in view of the volume of bulk products which can be carried in ships.

Has any thought been given to the movement of wheat through a pipe line from, say, the prairies to Halifax, or from the prairies to Vancouver, or from the prairies to Churchill? There are of course complexities and difficulties here. These are some of the things we should be thinking about.

According to the information I have, the Massachusetts Institute of Technology is doing preliminary research at the present time into the high speed movement of commuters and commuter traffic through pneumatic tubes at speeds of up to 350 miles per hour. What have we done to study such a possibility? Would it not be wonderful for the members who live in Toronto, if they could hop into a capsule and arrive in Ottawa 45 minutes later. Or, for example, the members who live in Montreal could commute back and forth each day in 20 minutes Think of the advantages of this system when a vote was called, and we would not have to ring the bells for any longer than an hour and a half before every member was here. These are matters we should be looking into.

This proposal is nothing new. Let me take members back to the old-fashioned store we used to visit 35 years ago. Perhaps some of those present did not do so, but I did because I am in that age bracket. We remember the tubes which used to hang above the counters. Your money was put in a little capsule, shoved into this tube, and whoooosh!—away it went to the office, and then came back with your change. This new idea is exactly the same system, only on a much larger plane. We must project our thinking into the future and consider these new technologies and what we can do with them.

What will be the modern way 10 or 20 years from now of transporting something or somebody from Edmonton to Montreal? Will it be by pipe line, will it be by hovercraft, will it be by rocket, or will it be by pneumatic tube? People may laugh at this, but they laughed at the Wright brothers who 65 to 70 years ago said that they were going to fly in an aeroplane. Since that time aviation has done pretty well; but at that the time they were ridiculed. People thought they were a bunch of kooks. This is a time for reflection and thought, a time to use imagination, foresight and initiative in planning tomorrow's transportation. I would suggest that such a study is a very important consideration at this particular time.

I was much in favour of the amendment proposed by the hon. member for Middlesex West (Mr. Thomas) but which was not allowed by your deputy, Mr. Speaker. It was an unfortunate thing because I feel that it would be only fair and sensible to refer this bill to the committee on transport and communications, where it could be further studied. An opportunity would be given to hear witnesses in order that many members, myself included, could go into the complexities of the bill, ask questions and receive responsible answers.

The action we take today may be binding upon us for many years to come, so let us not be in a hurry. I do not think there is any point in our trying to hurry this legislation. We have given up the major part of what was to have been a summer recess. I do not think that anyone feels sorry for himself for that. Most hon. members feel that their responsibility is to this country of ours, and if we are needed here we should be here. I would suggest that we sit right on, take our time and make sure of this legislation before we complete second reading.

It would not be fair to mention names, but people on both sides of the house have confided to me that they do not know what this bill is all about. I suggest they should have knowledge of this legislation before deciding to stand up and be counted—instead of being counted on something about which at the present time some of them may have no knowledge. Let us review the matter in committee and get the answers we want to our questions.

I think many people want to vote for a transportation bill, and I am one of them. I should like to vote for this transportation bill if it were amended in certain respects, and if we were given the opportunity to discuss it in committee so that we might have a more complete and profound understanding of it. If that were done, Mr. Speaker, would it not be

nice to pass this bill unanimously in the house? I submit that this would be very, very refreshing.

• (7:30 p.m.)

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I assure you that I shall not delay the study of this bill too long. I should like very much to share the enthusiasm shown by the minister, but like the previous speaker, I have some doubts about the bill now before us.

If I decided to say a few words, it is because I feel I owe it to my constituents to express their views about a piece of legislation as important as the one under consideration. Some will say perhaps that I am practising obstruction. I could not care less, and if I want to speak this evening, it is because I feel justice should be done to certain parts of the country. If we do not express our views, the minister will be unable to make the necessary amendments and corrections so as to make the bill really beneficial to the Canadian people.

There are too many things we know nothing about in this piece of legislation of national significance for us to give the minister a free hand. In the past, we, from Quebec, have not been too interested in railway rates, since the province of Quebec and especially, the province of Ontario, are served by a water and highway transportation system at relatively low rates.

When the minister says this measure will increase competition, it is only logical to infer that certain rates, in the fields of railway, highway or water transportation, will go up. Who will then pay for such an increase? It will surely be the people of Quebec and Ontario, since this bill assures us that the rates now in force in western Canada and in the Maritimes will remain at the same level for at least two years.

On the other hand, no mention is made of freight rates with regard to the provinces of Quebec and Ontario. This means that sooner or later, if it becomes necessary to obtain additional revenue, it will be sought in Quebec and in Ontario. For that reason, I am asking the minister to reconsider the bill and to give Quebec and Ontario industrialists and farmers the same guarantees he has given to those in other provinces. Mr. Speaker, we are not envious of the treatment given our sister provinces but as representatives of constituencies in the central provinces we have a duty to make sure that the interests of our electors are treated equitably.

There is nothing in clause 68 of Bill No. C-231 to guarantee that the tolls will be just and reasonable for the areas mentioned. No mention is made of the areas. It is stated, for instance, that tolls must be just and reasonable. We all agree on that point. In fact, no one would tax one group more than another. And it is added that they shall always be charged equally to all persons. There is no mention of the areas at all, but some areas could be hurt because in none of them can the situation within a province be compared to the situation of another group of persons in a sister province, or even within the same province if it should happen that regions are not respected.

These, Mr. Speaker, are the weaknesses that should be brought to the attention of the minister for correction. If such legislation is hurriedly passed, what will the repercussions be on the small industry in our province as well as in Ontario, where small industry is the very framework of economic life?

The passing of a bill detrimental to the industrialists of our provinces would place them in an unfavourable position to compete with foreign manufacturers. Our fellow Canadians would bear the brunt of this and would suffer the consequences. The Canadians would also have to pay the piper and provide the additional amounts required for the operation of railroads.

The bill also provides that the federal government will intrude in a provincial field, that of truck transportation. I know that up to now trucking companies have been provincially licensed. I suggest that the provinces will surely object to this intrusion. Is it the intention to foster misunderstanding or to legislate in order to create good will?

For all those reasons, Mr. Speaker, I suggest it would be advisable and logical to first refer this legislation, before second reading, to the committee specially charged with consideration of this matter. The bill, as someone said, and there is nothing wrong for me to repeat it, is highly complicated and requires a comprehensive and full examination.

Should we refer without delay that bill to a committee especially created to study it, we would give the municipalities, the provinces, the trucking firms and the experts in that field the opportunity to express their views;

I feel that we would get something out of it as well as all the people of Canada.

Too often in the last few years half-baked and poorly drafted bills have been submitted to us, and each time the government had to retreat, there was a weakening of its authority.

That is why I think that the minister should heed the advice given him not only by the members of this side of the house but also on the government side, because I am convinced that he was given the same advice in caucus by his fellow-members. He would be well advised to listen to those who sit here and improve as much as possible the legislation submitted and see to it that when these matters have been thoroughly studied, we pass quickly a measure which will give satisfaction to the Canadian people.

Those, Mr. Speaker, are the remarks which I wanted to make on that matter.

[*English*]

Mr. Ed. Schreyer (Springfield): Mr. Speaker, it would seem that the Minister of Transport (Mr. Pickersgill) simply cannot win. On the one hand he has been exhorted, in the past, to bring in a new, revised national transportation policy, and when he does so he runs into the opposition of hon. members opposite. Perhaps it is because the transportation policy incorporated in the bill now before us contains so many different facets of principles that hon. members may find themselves able to support many of those principles while being unable to support others.

• (7:40 p.m.)

After listening to the debate of the past few days it seems to me almost all hon. members agree that the intent of the bill as far as it relates to the desire to rationalize transportation in this country and bring about the integration or co-ordination of the various kinds of transportation services, is a good one. As to the expressed intention to bring the administration and regulation of transport under one so-called super board; it is difficult to be impressed by the proposals for administrative reorganization. It could be argued that the nation's transportation would be better co-ordinated if the various commissions now in existence were brought under one over-all commission. On the other hand, it could be argued that there is a point at which an administration body becomes too large and cumbersome, and at which it becomes desirable to reorganize it into subdivisions.

I do not attempt to say I have sufficient technical competence to pass judgment on this matter. But I do wish to say that the minister has caused a great deal of uneasiness and uncertainty in the minds of many of those who sit in this chamber, particularly those who come from regions in the country which are on the geographical periphery. The minister may not have meant it, but he gave the impression a few days ago that the effect of this bill would be to allow the railways to charge rates which were fully compensatory, the intention being ultimately to free rates from restriction and return to an ever greater degree of competition within our transportation system. I know that since this first impression was given the minister has taken the time to elaborate on some of these points and clarify certain areas of misinterpretation.

We understand, now, that certain classes of commodities will retain the benefit of freight subsidies from the national treasury for a number of years. There are some profound questions to be raised when discussing a national transportation policy and perhaps the first of these is whether a national transportation policy should be determined almost exclusively as a result of economic analysis and cost studies, or whether it should be determined after an analysis of the social factors involved in any change which might be made.

I have no doubt it could be shown that by allowing the railways freedom to set freight rates, abandon branch lines and so on, we would enable them to increase their revenues and, in consequence, reduce the need for subsidies. This would mean ignoring or forgetting the social consequences in certain regions and localiites.

It seems to me we should not seriously be talking about basic changes in transportation policy without having regard also to tariff policy. I believe it is generally accepted as a proposition that tariff policies benefit the central part of the nation somewhat to the detriment of outlying regions. If it is part of national policy to maintain tariffs and other restrictions on imports, it follows that there should be acceptance of the need and of the justification for the continuance of transportation subsidies to the benefit of regions which are placed at a disadvantage because of those tariff policies. I have little doubt that this is the position taken by all members in this chamber who represent areas removed from the centre.

When we speak of the national interest in connection with transportation policy we should first be clear as to what is meant by the national interest. It may well be that when added up in terms of dollars and cents a change of transportation policy would show a net gain. But this gain may be experienced almost entirely in the central region of our country, and may be most detrimental to the economies at the geographic extremities. I do not believe this kind of reckoning is a true indication of what is in the national interest.

I support completely the proposition put forward yesterday by the hon. member for Peace River (Mr. Baldwin) when he said that what is in the national interest is a policy which benefits all the regions of a country, or a policy which does not discriminate against the balanced development of the several regions which make up a nation.

I am sure that by now the Minister of Transport (Mr. Pickersgill) is becoming impatient of members as they rise to take part in this debate, because most of the substantial points with regard to this bill have been made.

Mr. Pickersgill: Would the hon. member permit me to interrupt him for a moment? I am far from impatient. I have been listening with the greatest interest to what he has to say. Perhaps he would allow me to ask him a simple question. He seems to find an antithesis between economic cost analysis and policies prescribed by parliament which would contribute to balanced growth in the country. The question I am putting to him is, does he not think that if policies of that kind are to be intelligently devised it is desirable to use the best modern techniques to find out what the facts are, instead of guessing at them as earlier generations had to do because they did not have those techniques?

• (7:50 p.m.)

Mr. Schreyer: Mr. Speaker, I agree completely with the Minister of Transport (Mr. Pickersgill). I did not mean to suggest that he was showing impatience right at the present time. I was merely saying that I would not be surprised if he were becoming impatient, for the simple reason that already there has been considerable discussion.

What I was trying to establish in the past few minutes is my contention that many hon. members, and many people in different regions of this country are getting the impression that this new transportation policy will do no particular good for the economies of their regions.

Obviously the more time that can be spent on fruitful analysis and discussion of the various terms of this bill, the more information we will have and the better kind of policy we will be able to arrive at when a report is made to the house by the committee. It is not that I am faulting the minister for bringing in the legislation. I am merely trying to say that there is cause for uneasiness, because when a statement is reported in the press to the effect that the policy is intended to allow for the freeing of rates, then it takes a few days, perhaps even a few weeks subsequently to clarify that statement and to give the minister and others time to elaborate as to just how it is intended to protect the economies of the various regions from too sudden and harsh a change or disruption.

It is my contention that the two most difficult parts of this bill are those having to do with freight rates and with branch line abandonment. In the past few years there has been a pretty strong indication that almost every community in western Canada has shown a marked antagonism towards the idea that because of cost factors, and the like, railway branch lines may have to be removed. There is the problem of cost analysis; but we must take several other factors into consideration, and it may well be that with the passage of time people in some of these communities in western Canada will be less reluctant to accepting the idea that certain branch lines will have to be abandoned. They may do so because of a continuing trend among people to identify rather more with their regions and regional economies rather than with their own immediate local areas. But if you expect these people to accept the idea of branch line abandonment it must first be demonstrated to them that their regions and regional economies will not be disadvantageously affected by changes in transportation policy.

In other words, it will have to be demonstrated that all other means of railway rationalization and cost accounting have been investigated and attempted before the railways are given permission to abandon lines servicing some of these communities. That, of course, raises a very moot point, one which the minister touched upon in his introductory remarks, namely that when we speak of railway rationalization, cost accounting, and adopting more efficient techniques, surely we

must consider the proposition that the possibility of public ownership of all railway lines in this country should be very much a part of a study of railway rationalization.

If we are really serious when we talk about railway rationalization we must be willing to say that we will investigate to the fullest extent possible, by acquiring the fullest data possible, the feasibility and desirability of actually bringing both major railway lines under single management. Otherwise how can we ask people to accept certain changes for the sake of rationalization, for the sake of efficiency and cost accounting, unless we are able to say to them that all—simply all—alternatives were looked into when parliament and parliamentary committees were considering ways and means of rationalizing rail transportation in Canada?

I do not think anyone here can get up and say, with any amount of concrete data at his disposal, that it would be better or worse to have railway transportation in this country under single management. Of course I know it is a matter of ideological dispute, with some people contending that it would be better because duplication would be avoided and the costs of duplication thus eliminated. On the other hand, others will argue that competition as between two railway systems provides for greater efficiency. Therefore I would hope that the proposition of bringing railway transportation under single management would be carefully considered and analysed in depth before we go about the country advocating or insisting upon branch line abandonment.

Some hon. members who have participated in this debate have dealt at considerable length with the effect that some of the proposed changes in the bill would have on western agriculture. I have some fairly strong views on that point but if I were to voice them now I would merely be repeating much of what has already been said.

However, I do want to make this point which I do not believe has been touched upon, namely, that it would strike me as very strange for us to remove certain kinds of subsidy on rail freight, since this is one means of giving an advantage to some of our export commodities in world markets. Of course direct subsidization as such is not permitted under the provisions of the General Agreement on Tariffs and Trade, but indirect assistance, such as is provided by freight subsidies, has been regarded in past years as permissible under GATT.

• (8:00 p.m.)

We would be foolish to adopt the general proposition that it would be desirable to free freight rates and allow the railways to charge ever increasing rates, even though this would be directly disadvantageous to many of the industries which are producing commodities going directly into the export trade. I do not believe that the mood of the Canadian people today is such that they would oppose the passage of legislation which would modernize transportation in this country and bring it under more efficient and effective regulation. It is my belief that such legislation would be accepted by the vast majority who think about our problems and discover that it is desirable to have legislation providing for a co-ordinated administrative body charged with the responsibility of regulating freight and passenger transportation rates, and the conducting of research and investigation into factors entering into transportation problems. Surely the mood of the people is such that they will accept that concept readily and with great approbation.

Those of us who represent regions in this country considerably removed from industrial centres would be derelict in our duty if we did not take pains to point out to the government and the responsible ministers why we cannot accept this bill in its present form. There are too many unanswered questions and too many principles involved. A vote on second reading is really meaningless. By voting in favour of the bill an hon. member would simply be indicating approval of some of the principles. At the same time that hon. member may have grave reservations and, in fact, outright opposition to other principles. Yet that hon. member cannot be sure of the advantages or disadvantages of this bill because we do not have the technical competence here in parliament which would allow us to ask specific questions. Perhaps this difficulty does not relate only to the competence of members, but to the fact that this forum does not lend itself to this kind of search for information.

The only part of this proposed legislation about which I have an emotional reaction is that part which impinges upon the economies of various regions in this country. Government action has a very direct effect upon the growth and development of regional economies, and the government has a responsibility to intercede or intervene in economics generally in an attempt to help these regions grow, in so far as that is possible.

There is no need to apologize for accepting the principle of freight subsidies as we have known them in the past. They have been necessary to compensate for the results of tariff policies of this country for the past century. It is in the national interest that various regions develop to the maximum. Let me refer to a specific case.

It was not in the national interest to allow the relocation of the overhaul base from Winnipeg to Montreal, simply because it was demonstrated on a cost basis alone that it would be cheaper to conduct that operation in Montreal as opposed to Winnipeg. In addition to a cost factor, one must also consider desirability. Surely it is desirable to have more than one jet overhaul service base in Canada; yet by simply looking at the cost factor it was decided that this skilled jet overhaul service should be consolidated in one area in this country.

One of the last things we would want to see happen in this country is a development whereby the economy and the population became increasingly centralized, to the point that some regions stagnate while one or two metropolitan areas in the country grow at a rapid rate. Such a development would create complex cities to the point where the phenomenon of megalopoly sets in. I do not think it is desirable to have one, two or three centres in the country growing at such a rate that problems in terms of urban life and living develop while at the same time other areas are relatively stagnant. We are all aware of the phenomenon that has occurred in Latin and central America, and some of the so-called banana republics, where the whole economic strength is concentrated in an area restricted to one city. This is an extreme illustration but I fear if we bring in transportation changes and policies based almost entirely on the concept of competition and private enterprise we will move somewhat in the same direction.

It must be a deliberate policy of the government to embrace transportation policy which will have the effect of giving various regional economies in this country sufficient assistance, by subsidies and in other ways, to allow them to enjoy a rate of growth comparable to other regions. This will in turn add to the strength of the whole nation.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, it is not my intention tonight to go into detail on the bill now before us, but I should like to make some general observations in respect of its general purpose. We should have a national transportation policy enunciated and implemented in Canada. I do not intend to go into detail, as I have said, because my colleague, the hon. member for Medicine Hat (Mr. Olson), dealt at some length with the major parts of this bill which are causing concern.

• (8:10 p.m.)

I am sure that his concern and our concern has been shared and is being shared by a great many members or this house because of the far reaching effects that these proposed changes may have on our whole economy.

Over the years there has been an increasing cry for a national transportation policy. I believe this has been occasioned by changing conditions in our country, by the development of forms of transportation other than the one mainly under consideration at the present time—that is, rail transportation—and also by the failure of our transportation systems to meet the challenge of the present day. I am thinking especially of the movement of grain throughout the past months. We all remember that on a great many occasions those from the prairie provinces have constantly brought to the attention of the government the failure of our transportation systems to meet the need, so far as the transportation of grain products is concerned.

Therefore, Mr. Speaker, when we consider the clamour that has been evident in days gone by it is rather difficult to reconcile the attitude taken, now that the government has enunciated a transportation policy. It may not be all that we desire, and certainly it is not. We all recognize that there are inadequacies in the measure now before us. I am sure that we all acknowledge the fact that further study will bring to light additional weaknesses that must be corrected if this policy and plan are to meet the need of Canada in this day and age. Therefore I believe that as we look at the bill before us we must look at it not as a finished product, not as something that is all cut and dried—I would not like to think of it as such—but as something like a working paper, if I may put it that way, that can be gone over, forming a basis for consideration, study and analysis; and then I trust the government will be prepared to accept recommendations, suggestions and amendments that this house believes will be necessary in order to make it an effective piece of legislation.

We have before us, of course, a bill that outlines the government's thinking with respect to a national transportation policy and the means of achieving that objective. A number of methods have been used to try to explain the contents of the bill and the effect it will have upon the transportation systems in Canada. We had the statement of the minister when introducing this measure. It was a rather complete statement and outlined the role transportation has played in the development of our nation, and the need for a realistic transportation policy to enable Canada to develop, prosper and progress as it ought. In addition to the minister's statement we have had presented to us what I suppose we might call the layman's guide that was drawn up by the minister in an endeavour to put into understandable language for those of us who are laymen in the field the meanings, purposes and objectives of the bill, and the way it will work out in reaching the objectives enunciated.

Then just yesterday noon we had a briefing session at which the Minister without Portfolio (Mr. Turner) and some of the officials of the department made themselves available for questioning and explanations in connection with this measure. In addition we have listened now to a considerable number of participants as they have made their contribution to this debate. I for one have endeavoured to listen to all of them, and think I have succeeded to a large degree in an attempt to understand more fully just what is comprehended in this particular measure. I say, Mr. Speaker, and I think others share the same view, that in spite of all these things there are many questions that remain unanswered; there are many fears that are still not allayed; there are many clauses which are so controversial that it will take a considerable amount of discussion, debate and analysis before we can really understand their full implication.

Mention has been made of the branch line abandonment suggestions. I believe that my colleague the hon. member for Medicine Hat (Mr. Olson) brought out a very important point when he stated that care must be taken to ensure that in a case where a line is to be abandoned other forms of transportation are available so that those areas will not be left out in the cold. Another aspect of the bill that is causing grave doubt is that having to do with the rates structure and the suggestion that this will enable the railways to recoup their losses, as it were, or increase their revenue in order to take up the slack and meet the other provisions of the bill.

Many have expressed grave concern about the effect of the application of the provisions of this bill upon the various regions of Canada. I know we all like to think in terms of a national policy, and we must do so. We like to think of Canada as a great and growing nation, and so we are. But in spite of that fact I think we must be forced, and we will be forced, to realize that although we are one nation there are several distinct geographical areas, and the effect of the implementation of any measure must be considered in the light of its effect upon our regions.

Therefore I think the members from the maritimes have a right to express grave concern about the possible effects of this bill in relation to the maritimes area. Those from the prairie provinces have expressed their doubts and fears. Those from the two central provinces of Ontario and Quebec are fearful lest they will be called upon to bear the major share of the increased cost that may be involved through the implementation of this measure.

We in British Columbia also fear that this measure will have a detrimental effect upon our province. The question has been raised and the fear expressed that British Columbia may find its adverse position aggravated still further if this bill becomes law and its provisions implemented. It is always a cause of concern that the freight rates are higher when shipping east from Vancouver than the rates to ship toward Vancouver. I think this is a discriminatory position that must be rectified in the very near future. British Columbia is developing rapidly as an industrial part of Canada, and therefore I believe the people of British Columbia should have the right and the facilities for access to the markets of Canada to the same degree as those in the provinces of Ontario and Quebec. Therefore I believe that the fears which have been expressed with respect to the various aspects of this bill are well founded.

Many references have been made to the complexity of Bill No. C-231. I for one share that particular view, namely, that it is practically impossible for one who is not accustomed to dealing with these particular matters to understand just what is involved and what the over-all effect will be of the application of such a measure. Clarifications, explanations and additional information must be secured, and I believe that the best place to secure this is in a committee. Therefore, if

we face the fact that this measure, if passed, will go to the committee on transport and communications, we will be prepared to seek out the information we desire, look for the clarifications that are necessary and get those explanations which it is very probable we will be able to secure at that particular stage of the bill. When this measure is before the committee all those who are interested will be able to make their representations. It will be possible to call expert witnesses and to question them on the effects of the application of such a bill. Provincial governments will be able to make their representations, as well as farm organizations and other interested parties.

• (8:20 p.m)

I therefore believe that this bill will form the basis of a very interesting and constructive analysis and study, once this measure reaches the committee on transport and communications. And so, Mr. Speaker, while indicating our intention at the present time to further analyse the bill and to suggest amendments to its various clauses, we will support the principle of the bill, which we understand is to define and implement the national transportation policy of Canada.

As I have said, we reserve the right to offer suggestions, recommendations and amendments, but at the same time we believe that the time has come for the enunciation and implementation of a national transportation policy which will be more up to date and will meet more realistically the challenges that we face at the present time. It is therefore our intention to support the second reading of this bill while reserving our right to participate actively in the further stages of the bill and to contribute to the improvement of the measure now before us.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, in my view this bill represents an attempt to bring our transportation policy up to date. I hope that our future policy contained in this bill will take advantage of what we have learned in the past. We hear much about regionalism, and the impression might be gained that the big crop which is being reaped in western Canada today will solve all other problems in that part of the country. However I would suggest that if western Canada did not harvest a large crop from year to year this country might still remain a somewhat backward colony.

It was the opening up of the west which gave Canada the great impetus. It was the building of the railway that made us a nation. I hope that in implementing this new transportation policy we will avoid some of the mistakes of the past and go forward in the building of a bigger and better country. I suggest that one of the mistakes we made in the past was in seeking to bind our country in perpetuity or, to put it another way, to let ourselves be bound by the hands of the dead. I hope that our new policy will be a dynamic one, one that is attuned to varying circumstances.

I believe that we should establish a knowledgeable transport board to handle Canada's tremendous problems in this field and I support wholeheartedly the setting up of such a body. At the same time we must make sure that this group does not become a little empire unto itself and does not forget the important reason for which it is established. I am therefore opposed to the creation of a sort of super crown corporation. I would like to see it become an advisory board not only to the Minister of Transport but to parliament as a whole. It is my hope that the parliamentary committee on transportation will work hard and become more knowledgeable, and that, together with this new super board of transport commissioners, it will work for the betterment of transportation in Canada. I am convinced that this can be achieved.

It might sound like sheer heresy for a western Canadian to say that we should perhaps take a second look at the Crowsnest pass rates to see whether or not there is a better and more equitable way of sharing the cost of transportation across our nation. Perhaps preferred rates might not be necessary if we found some way of stabilizing the price of agricultural products at a level at which we could pay competitive freight rates. I would like to think that when this commission is set up it will have a bold vision of our future. It is possible that if we calculated our present gross national product and divided it by 20 million we might find that we cannot support a railway; but if we approach this problem with the vision which we had when we built the Great Slave railway we will be encouraged to build new railways into the hinterland and into undiscovered areas where Canada's great wealth lies, and where perhaps still greater wealth will be discovered. I therefore hope that when this commission is set up it will not be restrictive but will act with vision and enterprise, that it will plan for a bigger and better Canada, not only able

to support itself but able to come to the aid of the less privileged countries of this world.

I venture to say, Mr. Speaker, that the western farmer produces more wealth per hour of labour than any other worker in the world and it is therefore not surprising that he demands a fairly decent standard of living in return for this work. After all, a bushel of wheat can be made into so many loaves of bread. The western farmer is entitled to a raised standard of living in return for the tremendous efficiency with which he performs his tasks. To those people who look at him with envy I will say: Come on out and help us reap this harvest. We are short of thousands of labourers and we cannot get them because other industries in Canada are draining our labour force. We are reaping great wealth from our crops. One of the reasons I hope the Crowsnest freight rates will be continued in the future is that these people are entitled to a fair return for their labours, which are bringing to Canada sufficient wealth to make a substantial change in our balance of payments.

• (8:30 p.m.)

When we consider this transportation policy, I want the board which is going to be set up with regard to freight rates and railroads to consider seriously the effect on the trucking industry. I suggest that from time to time the railroads have not performed the services they might have performed, so we have developed a tremendous trucking industry in this country. I do not believe the people who have put their life's work and their life's savings into this business should be brushed aside. When we think about the rationalization of the railways, let us think also about the rationalization of the highways. Let us tie in the whole of our national highways program with this transportation program. I do not suggest however that we should put all the highways in Canada under this board. I am a little bit alarmed about the power the board could gather unto itself, unless parliament watches very carefully and puts in some safeguards to see that they do not become an all-absorbing empire. After all, an empire may not have the vision which I hope this board will have, and we might hold up the development of Canada in this last half of the twentieth century which rightly belongs to her.

I should like to make sure that when the railroads come forward with their figures parliament will take a good look at those figures, to ascertain whether or not the excuses the railroads give for not making money are real. In the past there has been a tremendous amount of waste, and not due to branch lines. If you look at a map of Canada today you will see the way these railroads radiate out from the main business centres, instead of being linked up properly across the country. Then you can understand why it is difficult for the railroads to haul any tonnage between the major centres without waste. As an example, we may take the city of Edmonton. The railway lines branch out of Edmonton like the fingers on your hand. In at least two places in Saskatchewan near the Alberta boundary the railway links are not closed. In one case there is a gap of almost 40 miles and in another case there is a gap of 125 miles. If you want to ship something from one point to another, although the two points may be only 40 miles apart your goods have to travel over 600 miles because of this gap in the railway lines.

I personally took up this matter with officials of the Canadian National and they told me that this was one method they used in trying to balance their books, that is charging freight rates over 600 miles. They did not think it was economic to close the 40 mile gap. These are things which I believe tend to put our railway system 50 years out of date.

I believe that this rail system of ours quite rightly should be tied in with a proper air policy. The air system in Canada today is far from adequate. Again, I should like to refer to the north. If you were talking about building an airport in a place like Fort Chipewyan, the air line officials would tell you that there are so few planes going into Fort Chipewyan there is no justification for building an airstrip. This is true because airplanes cannot land there. I do not know how in the world one can just sharpen a pencil, divide by 20 and say whether or not an airstrip should be built in a territory which so far has never been adequately covered. After many years Fort Chipewyan has an airstrip, but there are many places in the north country where airstrips are needed for development. We cannot take a cost figure or a per-ton mileage figure and say it is economic to build a railroad at some place, unless we guess. Unless we plan for the future, I think big mistakes will be made.

I hope this commission will look into the question of what they call pioneer rates. It is possible today for the railroads in northern

Alberta to charge those pioneer rates. They can charge double or treble the ordinary freight rate because some lines have not been completed. This situation is supported by the statutes of Canada. Thank goodness we are going to scrap these statutes. However when we scrap these old, worn out statutes, let us put in statutes which are going to develop Canada in the most equitable manner. Let us stop the situation which finds the trappers in northern Alberta and the Northwest Territories, the pioneers of mining and the prospectors, being charged treble and quadruple the ordinary freight rates, merely because the railroads have a monopoly.

I hear a great deal about the trouble in which the railroads find themselves. I am sorry, but I cannot weep for the railroads. We own the Canadian National and are responsible for the policies of that company. I will not worry about them. The great Canadian Pacific railroad, which at one time helped to link Canada into a great nation, has been delinquent in recent years. Part of their contract was to provide transportation. So far as passengers are concerned, we knew they would not make money by taking settlers out to the west to develop the land. However this company was willing to accept the hundreds of thousands of acres of land, including oil rights, in return for this gamble. Their gamble has paid off, and it has paid off again and again. Now they own great steamship lines and great air lines, but they want to get out of the transportation business because it is on the red side of the ledger. If we add up all the money this company made out of its contracts with the Canadian people, I do not think they have lost the amount of money they say they have in running the Canadian or the Dominion across Canada.

We do not want to rake over old ground. However, we do want to make sure that this great railroad company does not get out from under. If they are no longer going to keep their side of the contract by supplying passenger service across Canada in return for the enormous profits which they have put into other endeavours, such as oil leases and mining, then I say we should make it abundantly clear that if they want us to take over that form of transportation we are going to be hard bargainers. Parliament, one hundred years from the time the company was set up, can draft a bill to make sure we take over on the basis of a fair contract. I do not suggest a lawsuit, but this new statute should make certain that, when we make a contract with them in which they are given tremendous rights in our country, they are obliged to pay their share. I do not believe the Canadian people can be accused of being niggardly during the depression years. We dug down deep into the pockets of the taxpayers and saved the Canadian Pacific from bankruptcy. Now that the company is flush, I would appeal to them to pay their share in building up this integrated transportation system which Canada needs so badly.

[Mr. Bigg.]

Mr. G. D. Clancy (Yorkton): Mr. Speaker, I am going to speak about a western problem, namely the abandonment of railway lines. There is a great deal of logic in this move to abandon some of our railway lines. It is obvious they are uneconomical and not doing the country any good. Perhaps there is a little bit of pride because a railway runs through your town, whether it runs through every day, or every ten days or every five weeks.

I am going to suggest that the commission consider one or two points in connection with these abandonments. I agree with the hon. member for Qu'Appelle (Mr. Hamilton) when he states that this should be an area study, and not just a blanket study. If we have the Canadian National and Canadian Pacific running almost side by side, let us decide which of the two shall be discontinued. The commission should look at the effect of sharing branch lines. In other words, where lines complement each other it is cheaper for the Canadian National to go over a Canadian Pacific branch line to their main line. It would be cheaper for the C.P.R. to send their trains out over the C.N.R. branch line to their main line. So it would save everyone money.

● (8:40 p.m.)

Secondly, I want to consider what happens when a branch line is abandoned. Is the steel just left there, are the ties just left there and is the right of way just left there to rot, with weeds growing around it? I think that if the commission were given the facts they would suggest that the steel be taken out, that the ties and roadbed be taken up, and that the mineral rights and right of way should revert either to the province or to the municipality concerned. That is just a suggestion I would make. Because if abandoned lines are just left there, the land is wasted.

All I suggest to the commission is that they take these few points into consideration when giving permission to abandon, say, 20 miles of line.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have been encouraged to speak tonight because of the extension of hours. I judge that that is what the Minister of Transport (Mr. Pickersgill) wanted. He wanted to hear from more people with regard to this bill of his in which he takes considerable pride, so—

Mr. Pickersgill: Mr. Speaker, I would have asked to have the hours extended until midnight had I suspected that that would bring the hon. gentleman out.

Mr. Churchill: If the minister interrupts me as he has interrupted almost every speaker up to this point, then what I have to say will be extended. But I like to accommodate the minister. I do not rise to praise him, sir, as many members who spoke earlier in the debate have. I have known him longer than some of the members in this house and I realize that he does better without too much praise. Consequently I will not praise him for his efforts; in fact, during the course of my remarks I will point out some of his deficiencies.

Somewhat left-handedly though I think I should say of our hon. member, who may be transported to another place, that I will miss him if and when that happens.

Mr. Pickersgill: Let's go together.

Mr. Churchill: Just think of the loss to the House of Commons. Nevertheless it is a thought that I will turn over, and perhaps I will consult him about that. I will miss him in the House of Commons because he is a stimulating influence and keeps people, whether they be on the government side or on the opposition side, on their toes, to make sure he is not carrying out some action which deserves a second look. That is rather euphemistically phrased, I think, but I believe the minister will get my idea. I always examine every proposition that the minister makes to the house, every bill that he presents and every question that he brings forward to see where the hidden meaning is. I suggest, sir, that this is the type of activity that keeps people in the House of Commons alert, and for this I pay my compliment to the Minister of Transport.

Now and again he does something I like very much. When he was speaking the other day he commented upon the question of keeping politics out of transportation. He had apparently seen some article in the paper that was critical of this, though I did not see the article myself. The minister gave a defence of politics and said there are two kinds. If I may quote him, he said that there is the one where the house attempts to get some kind of consensus about what will be suitable to bind this country together. The second type of politics was—if I may quote him again—the kind that tempts all of us to see the selfish interests of individuals, groups, or sometimes even of regions above the broader interests of the whole community. I think it is useful for people to understand what is meant by the term "politics", and in this house his first definition would mostly apply.

There is, of course, nothing new about this. The minister is as interested in history as I am and he will not mind if I direct his attention to the situation in the House of Commons on April 11, 1919. At that time the house was discussing transportation and considering a resolution to incorporate the Canadian National Railway Company. During the course of the debate on the resolution the leader of the opposition at that time, Daniel D. McKenzie, member for Cape Breton North and Victoria, used these words, to be found at page 1397 of *Hansard*:

> Politics is the science of government. When people say: "We must take this matter out of politics," they mean that it shall be taken away from patronage, graft, or mismanagement. I am willing that works of this kind shall be taken out of politics in that sense, but I do not agree that the people who own and operate enterprises shall have nothing to say about their management. Politics must exist in public ownership in so far as that involves the fullest possible control by the people.

I draw that to the minister's attention simply to show that he is following in the footsteps of parliamentarians of the past who had a similar idea with regard to the meaning of politics, and the fact that you cannot divorce politics from a consideration of matters of public concern.

When we were summoned to the house some time ago the impression was given both to us and to the public that we had two important and urgent pieces of legislation to put through because a railway strike was going on in the country. Quite obviously the bill to terminate the railway strike which we dealt with last week was of very great urgency, and you can imagine my surprise when during the course of one of those debating days four members of the Liberal party filibustered their own bill. It should have been passed very quickly.

However, it was also indicated that the second bill, this one dealing with transportation, was of great urgency and should be passed with great speed, and I think this was a little misleading. I was not the least bit surprised when I read in some column in one of the papers that the Minister of Transport had dreamed up an idea.

• (8:50 p.m.)

He considered that this would be a great opportunity, with the house meeting under urgent conditions, to compel or urge the House of Commons to pass in double quick time his pet bill—this one on transportation—and linking it up with the railway strike to give the idea across the country that the two bills went together, and that one could not pass without the other. Then the House of Commons, seized of this urgency, would immediately pass those bills, and the minister would be very happy.

We discovered after we assembled here, began to discuss the railway strike bill, and had a look at the present Bill No. C-231 dealing with transportation problems, that although initially it might pass before the House of Commons very, very quickly, nevertheless it would require weeks, if not months, of intensive study by way of committee before it would come back to the house for final approval. So the urgency of the second bill was not anything like as great as pointed out to us, or as we were given to believe before parliament assembled.

Relating that fact to my earlier remarks about the stimulating influence of the Minister of Transport on the House of Commons, one can understand why I examined very carefully the situation that confronted us. I think the article in one of the newspapers was fairly accurate when it said that this situation gave the minister an opportunity to get rapid consideration of a bill under what was almost a pretence that it was essential to do so at this time, because of the railway strike legislation.

We now know that even if this bill were passed very quickly at this stage, and considered by committee very quickly, it would not alter the financial position of the railways for the year 1966. We know from our experience here that the bill will not pass through all the stages very quickly, and it would be very unwise if it did, because ever so many organizations, in addition to the provincial governments, will wish to make representations.

[Mr. Churchill.]

During the course of his speech the other day the Minister of Transport told us this:

I like to think there is a sense of urgency about this legislation that has not existed at any time since the MacPherson report was received.

I consider that this is a spurious sense of urgency. The urgency has been present with the minister and his colleagues for over three years. Why the minister failed to act after he withdrew his railway legislation in 1964, until September of this year, escapes me. What was he doing for over two years with his transportation legislation? Quite a bit of the early work had been done by his predecessor, the present Minister of Public Works (Mr. McIlraith), who was then minister of transport. Yet, well over two years elapsed before the minister was seized with a sense of urgency which happened to coincide with a railway strike and with a special session of parliament. This is the stimulating influence that this minister has on the House of Commons, and this is how he leads some people down the garden path.

Then, not content with that, when he was entertaining the House of Commons the other evening while speaking, he said something about hoping that there would be—and these are his words—

—a relatively brief general debate on second reading.

Earlier we had conceded a point for the minister, and had passed the resolution stage without debate. Not content with that he wanted a brief discussion on second reading.

We have reached the stage of what I now call instant legislation. Everything has to be done the day before yesterday, and I rise in protest against this attitude of mind which wants everything done before you have even time to consider it. If there is one bill which should not be classed as instant legislation, it is the bill presently before us. It has taken the government years to prepare it. It has taken the present minister over two years to get it ready. Its ramifications, as pointed out by many speakers, are profound and will affect our country for many years to come. This is not a bill which should be subjected to this new fangled idea of instant legislation.

Mr. Winkler: Will the hon. member permit a question? Is he not aware that the Minister of Finance (Mr. Sharp) this evening on the national broadcasting network blamed the

opposition for pushing everything through the house too hastily.

Mr. Churchill: I find myself co-operating now with the Minister of Finance. I am glad that he does not agree with the Minister of Transport. The Minister of Finance wants this bill to be considered very carefully. I suggest to my colleagues that they should take note of that fact and make preparations to speak tomorrow on this bill, in order to accommodate both ministers.

Mr. Pickersgill: I wonder if I could ask the hon. gentleman a question? He was flattering enough to quote my reference to a relatively brief general debate on second reading, perhaps unwisely observing things in retrospect. Would he be kind enough to quote the last part of that same paragraph on page 7998 of *Hansard*?

Mr. Churchill: I have never found that putting the minister's words in speeches of mine does any good at all, and I do not know why I should give him additional publicity by repeating some of his badly phrased sentences. I think I will just leave it there, for everybody to read. He has drawn attention to the fact that he made that remark on September 1, 1966, at page 7998. I record that in *Hansard* for the edification of the next generation of parliamentarians.

I want to comment on some other matters that the minister mentioned, before dealing with certain general aspects of the bill. As I say, I realize the damage I am doing to my speech by quoting the minister's words, but I want to be fair to him. At page 7991 of *Hansard,* in the second column, when he is dealing with the very large board that he is setting up, he uses these words:

> I have reached the conclusion that one of the most important things of all is to have one unified organ of government divorced from any of these different modes of transport which would look at all of them, compare one with another and, when considering the regulation of one, would take account of what was happening in the other fields.

And so on.

Now the minister has been affected by the Minister of National Defence (Mr. Hellyer) and he wants to put everything together. I am surprised he did not use the word "integration". He has got the word "unified" in, anyway. He wants to unify, and so he set up a board. He has integrated three boards. He has put them together and added four members, one of whom will be the head. He is appointing a czar, and he is going to have an organization similar to that of the Minister of National Defence, with a chief of staff under the minister.

• (9:00 p.m.)

I am sorry he has been infected by this desire to unify everything. The Minister of Transport did not tell us, though he is much more frank about these matters than is the Minister of National Defence why the system now proposed will be better than the present arrangement. There may be some value attached to integrating various boards. The strange thing I noticed when I looked over the bill was this, that having integrated the boards, the hon. gentleman then separated them again. They are to carry on their present functions and, from time to time—it is not very clear as to when this will happen—they are to assemble together and compare notes. So we will have a body of experts on maritime affairs, and a body of experts on railway freight rates, and a body of experts on air transport trying to have a meeting of minds. I do not think this is likely to work at all. I believe we are better off under the present arrangement whereby these specialists advise the minister. He can call them together and say: Gentlemen, our national policy is such and such; in your particular field you do not meet requirements of these other boards and I wish to reach a consensus here and arrive at a modification of policy.

This, I would think, is the function of a Minister of Transport. It is for this that the minister exists. But the hon. gentleman has delegated that authority to a very large board and put a man at the head of it who will have tremendous powers. That is his excursion into unification.

I wish to comment now, on something else which I think should be corrected in the minister's thinking and in subsequent speeches he makes. The following appears on page 7991 of *Hansard.* I will quote most of the paragraph—this will really please the hon. gentleman:

> I do not think anything illustrates this more clearly than what has happened in the seven years since 1959. In those seven years, on three occasions, however this may have been disguised, the greater part of the increased wage bill of the Canadian railways has been passed on to the taxpayers of Canada—$20 million in 1959, $50 million in 1961 and another $20 million in 1966.

Mr. Pickersgill: That is a misprint. I thank the hon. gentleman for drawing attention to it. It should be $30 million. He will find that

it does not add up properly and I would not like it to be thought that I cannot add.

Some hon. Members: Oh, oh.

Mr. Churchill: You know, sir, that escaped me. That was not what I had in mind. But I am glad to help the minister correct *Hansard.*

Mr. Pickersgill: I have already done that.

Mr. Churchill: I continue to quote:

> So we are now paying out of the treasury $100 million a year.

What I think is wrong—and I appeal to the better nature of the Minister of Transport which, from time to time, I recognize—is this: I think it is wrong to suggest that the greater part of the increased wage bill of the Canadian railways has been passed on directly to the taxpayers. The suggestion here is that a subsidy of $100 million a year is solely related to wages from 1959 to 1966.

Mr. Pickersgill: So it was.

Mr. Churchill: Why is it not related to other operating costs? Surely in that period from 1959 to 1966 the men working for our railways were entitled to increases in their wages, just as many others in Canada have received increases in their wages. Why do we say this is paying the wage bill? Are we sure it is not paying the cost of extra locomotives or freight cars, or the repair of trackage or something like that? I do not think it is fair to the men who operate our railways to saddle them with the statement that this amount of money paid out of the treasury over the period of seven years has all gone towards their wage increases.

Mr. Pickersgill: It just happens to be a historical fact. The first $20 million was paid as a result of the wage increase of 1959. The second payment in 1961, was disguised by the hon. gentleman's friends who said they were awaiting the MacPherson report and that they would pay the extra wage bill in the meantime. In the case of the 1964 increase we did not disguise it. That is a historical fact, whether it is fair or unfair. All I am saying is that we really must try to enable railways to earn enough to pay their men so that we do not have to saddle the taxpayers with these costs.

Mr. Churchill: The minister is now smuggling words into my speech which I did not put there. My point is this: The minister could rightly draw attention to the fact that in 1959, 1961 and 1966 additional moneys were paid the railways in order that they might remain in operation. But it is not necessary to say that these additional moneys are directly attributable to increased wages. That is my point.

Of course, it was in that area that there was trouble, and when the issue finally came before the government it centred on a wage dispute. So it is natural to say: Oh, well, this money is for wages. I have sympathy with management but I also have some understanding of those who operate the railways. Why are not wages regarded as an initial charge on revenue, and why cannot any deficit incurred be attributed to something else? Cannot the C.N.R. come here and say—as they do, from time to time: Our operating costs are so much, and they include everything, wages as well; we cannot maintain our trackage, and we need additional funds. That is all I am saying. I do not think we should continue to suggest that the sums of money which have gone to the railways from the treasury over this long period should be linked solely with wages.

Mr. Pickersgill: May I ask the hon. gentleman a question? He was a responsible minister when $70 million of that $100 million was paid to the railways. About 40 per cent of it was paid to the C.P.R. This is now a matter of history and I do not think the hon. gentleman would be breaking any cabinet confidences. Would he tell us why the government of which he was a member gave this huge handout to the C.P.R.? Would it be to buy locomotives?

Mr. Churchill: We have come back to the minister's definition of politics. He is indulging in a type of politics which he defined in the second part of his phraseology. He says partisanship. I was rising above that. I hope, on the minister's transmission to the other place, that he will rise above this petty partisanship he is talking about.

• (9:10 p.m.)

I fully realize what happened in those years when we were in government, and the troubles over railway matters. I was mixed up in them to a very considerable extent. I took a great interest in the problems of railways and the problems of freight rates.

I do not know whether I should quote any more of the minister's speech, although I think it pleases him. He went on to deal with rates and the abandonment of lines and

things of that nature, but I shall spare the house any more of his words.

I should like to direct the attention of the house to something else along general lines. The minister has made a great deal out of the fact that he is now declaring a national transportation policy. One would have thought there had not been such a policy in the past, but of course there has always been a transportation policy for Canada, and it has to be modified from time to time.

In 1919 when they were incorporating the Canadian National Railways the gentlemen who then occupied this chamber discussed matters of policy. They said what they were then doing was bringing in a policy of public ownership, taking over privately owned railway lines, incorporating them into the Canadian National Railways, assuming the financial obligations, and naming a board of directors to run the Canadian National Railways as a crown corporation. They said that the policy then being adopted was one of public ownership. Therefore if the minister is going to give us a definition of national policy he should include historically some of the things that happened in the past.

What was the transportation policy in the years when the C.P.R. was being established? What was the transportation policy when the various privately owned lines were assembled together to make the C.N.R.? That policy holds to this day, but the minister has not incorporated that in his statement. But with a bit of fanfare he gives us a national transportation policy, and in it he treats us to the platitude that an economic and efficient transportation system, making the best use of all available modes of transportation at the lowest cost, is essential to the well-being and growth of Canada. There is nothing new about that. I do not think the minister dreamt that up himself.

Then he suggests, in his declaration of national policy, three matters that should be considered. He mentions regulation with due regard to the national interest, each mode of transportation bearing a fair proportion of the real costs of resources and facilities provided at public expense, and compensation for each mode of transportation for facilities and services that it is required to provide as an imposed public duty. This, he says, constitutes Canada's national transportation policy; but I do not think it is comprehensive enough.

Several hon. members have dealt with the interpretation of the words "national interest." It would be rather difficult to define the national interest. It appears differently to different people and to different areas of the country. I am speaking tonight as a representative of the province of Manitoba, and what is good for Manitoba is good for Canada. That is the national interest because we are a wealth producing province and if we are strong and wealthy all Canada benefits. I suppose every province in Canada could say the same thing, but when a minister considers that as breaking new ground in announcing a national transportation policy he should enlarge it and make it complete and comprehensive. I think he should have added that no area of Canada should bear a disproportionate share of freight rates.

This is what has concerned people in western Canada for many years. This was my concern in 1958 and 1959 when we were faced with another horizontal increase after I don't know how many had been imposed since the end of the war. As a representative from western Canada and the province of Manitoba I was naturally disturbed that this would happen. As a result of the situation at that time grants were made, always with the hope that they would be temporary. But they never are, and subsequently the MacPherson commission was appointed to make a full investigation and to give us the facts.

On the question of national transportation policy I think that the minister has not done justice to the ability which resides in him and to the advice he might be able to receive from his competent officials. How people are going to interpret national interest when they are dealing with the regulation of modes of transport will be an interesting controversy to observe. A 17-man transport board is going to determine some of these matters in relation to the national interest, and the national interest may differ depending on individuals and where people live.

When he was urging us to have a short debate and pass second reading, the minister suggested that there were two principles in the bill, and if we voted for it on second reading all we would be approving was that there should be a Canadian Transport Commission and that there should be railway rationalization. The hon. member for Medicine Hat (Mr. Olson) immediately pointed out that there was a third matter, the matter of rate making.

When we come to the point of deciding whether or not to vote for this bill on second reading, which is approval in principle of the

bill, are we just to accept the bland assurance of the minister that we have only those two things to decide and that our votes are just with regard to those two matters? I say we have to include the one stressed by the hon. member for Medicine Hat.

Mr. Pickersgill: I wonder if the hon. gentleman would not agree that the question of appropriate freight rates is obviously an aspect of rationalization?

Mr. Churchill: Of course, and I hope we get appropriate freight rates; but I think this is the major concern. When you are asking people who have felt the pressure of freight rates over the years to vote in favour of this bill on second reading, you are asking a great deal if they have not yet received all the information that should be made available to them.

• (9:20 p.m.)

That is why we on this side of the house have repeatedly requested that the subject matter of this bill be referred to the committee before we are asked to vote on second reading. One can become trapped as a result of a vote on second reading.

Mr. Pickersgill: Mr. Speaker, may I ask the hon. gentleman another question? He has been very courteous about answering my queries. In 1964 I yielded to exactly the same request and sent the subject matter of a bill, which had provisions very similar to these with regard to freight rates, to a committee. There was an exhaustive examination made by that parliamentary committee, which heard representatives from all over the country, as a result of which certain modifications were made as represented in the present bill. May I ask the hon. gentleman how many times this same process has to be carried out before we can get on with the job that the hon. member's leader promised to do, when he was in power within six months of the time the 1960 bill to keep the railwaymen at work was passed?

Mr. Churchill: There is no question about the fact that the government of which I was a member made improvements to the legislation, because the minister constantly refers to them. The minister can certainly look to our term in office as an example for his government to follow.

I recall that the subject matter of the 1964 bill was referred to the committee for study; but what is wrong with that? If that was done in 1964 and it proved to be helpful, as the minister has said it was, why should we not follow that practice again? The minister has now enlarged the bill, provided for another board and declared a national transportation policy. Conditions have altered materially in the past two years. I suggest that these conditions should be re-examined and that the subject matter of this bill should be sent to a committee. Perhaps once again improvements will be suggested. The minister admits that improvements were made as a result of the committee examination in 1964. That was a good procedure to follow then and I suggest it should be repeated now.

I object to the sense of urgency the minister has imported into this discussion by his suggestion that we should get on with this business now. I am opposed to this kind of instant legislation. When we do things rapidly in this house we are doing things in a hurried and stupid manner.

Mr. Pickersgill: Six years have passed since your leader promised legislation of this kind.

Mr. Churchill: We received the reports of the MacPherson commission in the summer of 1962 and we produced a bill and put it on the order paper. I well remember the session of 1962-63 when we were not able to persuade the opposition to be anything like as co-operative as the present opposition is. This opposition has been sustaining this government for over three years. Were it not for the efforts of the Leader of the Opposition (Mr. Diefenbaker) and his supporters the present government would find itself in worse trouble than it has been in during the past three years. Who was it that saved the situation last week but the Leader of the Opposition, with the support of his colleagues and the members of the New Democratic Party? Canada's greatest blunderers are sitting over on that side of the house.

All the information attendant upon the preparation of the MacPherson report and the bill which followed has been available to the present, unfortunately incompetent government which Canada selected in 1963. Three and a half years have elapsed between the time of the election of this government and the presentation of the bill now before us. The minister now says: Let us get on with this bill, which should have been dealt with yesterday. I say there is no need for haste and that if we move too quickly we may make mistakes. We have found out from bitter experience that mistakes can be made when parliament moves too hurriedly.

Mr. Deputy Speaker: Order, please.

Mr. Churchill: I thought you would take pity on me, Mr. Speaker, in view of the many interruptions.

Mr. Deputy Speaker: I must inform the hon. gentleman that his allotted time has expired.

Mr. Churchill: I am sure that I could conclude my remarks by nine thirty, Mr. Speaker.

Mr. Deputy Speaker: Does the house give its unanimous consent to allow the hon. member to continue?

Mr. Pickersgill: I think the hon. gentleman should have another round.

Mr. Churchill: Let me conclude my remarks then with this sentence. I hope that those who follow me will ask the Minister of Transport to indicate the hidden features of this bill. Perhaps the Minister of National Health and Welfare (Mr. MacEachen) and the Minister of Citizenship and Immigration (Mr. Marchand) will come into the house and advise us about the hidden features of this bill. What must we take on trust, and what is being concealed from us? What do we not understand about this bill that is clear to everyone else? Perhaps my colleagues will pursue that line of thought.

Mr. Pickersgill: Does the hon. gentleman seriously expect anyone to tell him what he does not understand?

Mr. Churchill: There is so very little I do not understand it would be a waste of your time to point it out.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am sure that most of the members of this house wanted to take part in the debate last week in respect of the emergency legislation dealing with the railway strike. We refrained from doing so because of our desire to expedite matters pertaining to the critical situation which faced Canada. Like my colleague, that hon. member from the keystone province of Manitoba, I am grateful to the minister for making it possible to extend our normal hours of sitting tonight so that as many members as possible can speak. I think it is particularly important for members from the province of Manitoba to speak on this bill, because that province, more than any other, is very deeply concerned with and involved in national transportation problems.

As I understand the situation the government has linked this bill with the one highlighted by the discussion last week, in an attempt to provide a complete approach to the problem of rail transportation. It has been suggested that the legislation now before us has been designed to rationalize not only rail transportation policy, but transportation policy generally in this country, in an attempt to avoid the periodic crises which have rocked the nation and this house. Perhaps these crises have occurred in part as a result of the failure of parliament to deal adequately with the revolutionary changes which have taken place in the Canadian economy over the past few decades.

It is unfortunate that we must debate this matter in an atmosphere of crisis. I shall not be discouraged in any way during my participation in this debate tonight by the government's attempt to carry over the atmosphere of crisis that existed last week. Having endeavoured to interpret this bill, having attended the special seminar that was set up to enlighten members of the house, and having listened to the comments of those individuals who are most knowledgeable about railway matters in this country, it is my opinion that this bill in no way resolves the problem that precipitated the crisis which necessitated the recalling of parliament for this special emergency session.

• (9:30 p.m.)

The authority, of course, for that statement, as has been quoted several times during the debate, is the president of the C.P.R., Mr. Sinclair, who made the statement that the legislation contemplated makes no advances and gives the railways nothing that does not already exist in the present legislation under which railways operate in this country.

Mr. Pickersgill: So far as 1966 is concerned.

Mr. Dinsdale: As far as 1966 is concerned—and I think we are dealing with the year 1966. If it does not meet the problem in 1966, with the rapid processes of social and economic change in the country I would conclude it would be even more out of touch with reality in the ensuing years.

Mr. Pickersgill: Mr. Speaker, I wonder whether I might ask the hon. member a question?

Mr. Dinsdale: Certainly.

Mr. Pickersgill: The hon. member does recognize that the increase in wages for 1966

was 8 per cent and that the increase over the two years ends up at 18 per cent; and is it not true, therefore, that the problem of meeting the wage bill in 1967 is a much bigger problem than it is in 1966; and therefore it becomes much more urgent in 1967 that anything this parliament can do should be done to put the railways in a better position to pay that wage bill themselves, and that it is desirable to do so?

Mr. Dinsdale: Certainly I agree with that statement. This is a subject that will be touched upon more effectively and appropriately when we come to the next matter before the house, which I presume will be in the hands of the Minister of Finance (Mr. Sharp), when we endeavour to enlighten ourselves and reach some consensus as to what might be done about the process of galloping inflation, which is at the root of a great many of the difficulties of not only the railways and railroad employees but most of the economic groups in Canada. The point I should like to deal with has been discussed by other members of the house. I am only the second member from Manitoba to take part in this debate, and I am sure—

Mr. Pickersgill: There have been three this evening.

Mr. Dinsdale: —that my hon. friend from Winnipeg South Centre (Mr. Churchill) would have dealt with this problem had he not run out of time.

Mr. Knowles: Mr. Speaker, perhaps the hon. member would like to make that statement a little more accurate. The hon. member for Springfield (Mr. Schreyer) is also a member from Manitoba, and he spoke this evening.

Mr. Dinsdale: I was not in the house when the hon. member for Springfield made his remarks. I am sure he represented well the viewpoint of Manitoba and I am very pleased to hear that he has taken part in the debate. The problem that concerns me is the emphasis on national policy that predominates throughout the 68 pages of the legislation before us. It seems to me that there is a failure to pay sufficient attention to the regional problems, which are actually the basic difficulties in the field of transportation. It is all well and good to emphasize national policy but I think the minister himself is on record as having quoted that old expression that Canada is a difficult nation to govern, largely because of the problems of regionalism, and any economic approach must take into consideration the specialized difficulties of the various regions of Canada. This has been the cause of some of our greatest economic and political upheavals in the past, and it is not necessary to retrace Canadian history in this regard. The minister himself is a native Manitoban—

Mr. Pickersgill: No; I was born in Ontario.

Mr. Dinsdale: Well, he is an adopted son of Manitoba, shall we say, and was a lecturer in that province at one of our universities during a period when the west was involved in rather distressing economic circumstances, largely because of the failure of the national government to take into consideration the particular difficulties of the western part of the country.

Mr. Pickersgill: The hon. gentleman will recall that during most of that time there was a government of his party in office in this country.

Mr. Dinsdale: I am thinking particularly of the 1920's.

Mr. Pickersgill: It was in the 1930's that I was a teacher.

Mr. Dinsdale: Well, Mr. Speaker, the minister was a student during the 1920's. During the early part of the 1930's, of course, Canada was rocked by a depression that was not only felt in this nation but throughout the western world. My emphasis since coming to this house some 15 years ago has been on the need to recognize the primary necessity for diversification and decentralization of industry across the nation. I would suggest to the minister and the government that great strides have been made in this direction during the past decade.

I want to bring to the minister's attention, because this is the only manner in which we will have the opportunity to bring it to the attention of the ministry, that in my humble opinion the emphasis in this bill militates against the progress of decentralization and diversification that has moved forward in a rather encouraging way in the past decade.

During the briefing session the other day I was concerned with discovering whether there had been preliminary consultation with the provincial governments before bringing down this legislation. On that point I was

assured that there had been extensive consultation. I had not seen any press reports to this effect nor had any special meetings been called, and I would presume therefore that these consultations were by letter, telephone calls or some other process that did not come to the attention of the press and the mass news media of the nation.

Mr. Pickersgill: Mr. Speaker, I would ask the hon. member, is it not true that agencies of the provincial governments as well as of interested bodies made representations to the parliamentary committee on Bill No. C-120, the bill preceding this one?

Mr. Dinsdale: Quite definitely. Back in 1964 when Bill No. C-120 was before the house there was consultation, and as a result of the criticisms that came forward, from the provincial governments largely, and also economic groups such as the pool associations of western Canada, the bill was not proceeded with. I am pointing out the emphasis that is placed on national policy and I shall come to the other point I wish to mention in a moment, namely that there is a new feature of the bill. This new feature of the super board is an entirely new concept. It was not contained in Bill No. C-120 nor was it one of the recommendations of the MacPherson report. In addition, I am led to believe that there has been no preliminary consultation with provincial governments or any other major economic groups in the country on this point. My reason for saying this, as the hon. member for Winnipeg South Centre (Mr. Churchill) has pointed out, is that the approach of the government in bringing the bill before the house has been that of enacting instant legislation.

• (9:40 p.m.)

We had a transportation crisis on our hands, we had to grapple with the emergency bill, and this present bill before the house has been presented as an integral part of the total solution. Because of the unseemly haste in the matter there has not even been the opportunity to get a response from the press and certainly from the general public, but I have received some telegrams and have seen a few editorial comments from the west which indicate that they are somewhat distressed by the fact that we are proceeding to establish an act without preliminary consultation. To the western way of thinking this bill overemphasizes the national policy aspect, and in particular moves forward in the direction of a bureaucratic body which will tend to aggravate and accentuate the national approach, rather than to give adequate consideration to the necessary regional approach which must be made if we are to deal satisfactorily with any of the major economic problems of Canada.

Manitoba has always taken a keen interest in the formulation of a transportation policy. The Manitoba government has been a leader in encouraging the concept of regional development both within the provinces and across Canada as a whole. It is because of the encouragement that was given to the province of Manitoba under the leadership of her present government that certain significant developments which I think I should bring to the attention of the minister have occurred within the past few months. I admit quite freely that these developments also have been encouraged and assisted by the area development program put forward by the present Liberal administration.

For example, it was only in August that the southwestern part of the province of Manitoba established what is known—and I think it is a unique economic organization—as the Westman Development Corporation. It is largely based on a group of local municipalities, both rural and urban which, encouraged by the efforts of the government of Manitoba and the government of Canada, have seized the initiative in establishing the co-operative co-ordinated approach of dealing with the problems of economic underdevelopment in western Manitoba.

It is this group which has expressed to me some concern about the national emphasis in the legislation and has pointed out that the spirit of the legislation seems to be at odds with the encouraging trend which has prevailed in Canada in recent years toward decentralization and diversification.

In my own city of Brandon, if I may speak on a strictly local basis, we have recently been featured in magazines, such as the *Weekend Magazine*, as a community which has demonstarted amazing progress, notwithstanding the limitations and handicaps of an isolated geographic position. I have not the date before me, but most hon. members will have read Peter Gzowski's feature article under the title of "Brandon in Mink" which is merely a euphemistic way of expressing the fact that a new wave of prosperity has hit this community as a result of the encouraging trend toward decentralization and diversification. This has been done, notwithstanding the fact that there is a considerable disability at all

levels of transportation. Rail transportation has been going through a transition in that part of the country, as it has in many other parts of the country.

We have lost all our branch lines; we are down to one passenger train a day, as hon. members will recall from the discussions that took place earlier on in this session. We even have difficulty with truck transportation because we are under the overwhelming influence of that large metropolitan urban community in Manitoba, the city of Winnipeg, where truck activities tend to be concentrated and where rates tend to be established.

We are also facing another difficulty at the moment which I hope will be overcome shortly, and that is uncertainty which has existed now for the past several months regarding the regional air policy. As the minister assured me yesterday, a hearing is to take place in October to determine the future of a regional air policy for this particular part of western Canada.

The point which I am making and which I wish to bring to the minister's attention is simply that it is fine to emphasize national policy but I hope he will ensure that the undue emphasis on national policy will not overshadow the new and encouraging trend which has been manifested in the Department of Industry to overcome a natural handicap which has affected particularly the extreme eastern and extreme western parts of Canada ever since confederation. It is because of this fact that hon. members become so exercised whenever any major change is made in the transportation policy. By all means let us rationalize transportation policy, but in the process of rationalization let us remember that Canada cannot be regarded as one, integrated economic entity.

Mr. Pickersgill: I wonder whether I could ask the hon. gentleman a question? Is he not in favour of one Canada?

Mr. Dinsdale: I am in favour of one Canada in the political sense, but I am also aware of the fact that we have four or five Canadas in the economic and geographic sense.

Mr. Pickersgill: The hon. gentleman had better be careful or he will be excommunicated by his leader in the morning.

Mr. Dinsdale: I am just repeating the belief of the leader of this party that there is one Canada in terms of political unity. This has been the remarkable achievement of successive governments, particularly the government of John A. Macdonald, whose achievement will be commemorated next year when we celebrate our hundredth anniversary. However, we still have the facts of geography, typography and economics to deal with.

Let us now deal with the super board which has not been recommended in the MacPherson report and so far as I can determine has not been discussed with the provincial governments most concerned. It is a part of the current trend toward bigness in almost every major aspect of life.

• (9:50 p.m.)

In so far as the military are concerned, the government's emphasis is on unification and integration. We talk about big government, about solidarity forever and big labour; big bureaucracy. Even in the church we are engaged in discussions about the possibility of church unity. I remember a discussion I had with a member of the United Church when I was overseas, as a matter of fact a United Church padre. The good folk in England were not familiar with the concept of the United Church, and being a member of a non-conformist group I had to explain that we were of the opinion it was not so much a case of being united as it was a case of being frozen together.

This is always a problem with bigness in any sphere of life. The chairman is going to be all powerful; the deputy minister is going to be all powerful and certainly the minister is going to be all powerful under the legislation that is contemplated. He knows, of course, that the essence of democracy is the separation and division of powers. I know that integration is put forward in the interests of efficiency. The argument is always presented that if you have unification and integration of this kind you have greater efficiency. One of the nations that has been most forthright in this whole policy of integration and unification has been the Soviet state. It of course, has become almost one great monolithic unit in terms of bigness. However, it is faced with the inevitable situation that always confronts a big bureaucracy or a monolithic government, namely that when a mistake is made it is always a great, big blooper. It is not a small mistake, it is a big one.

At the transport seminar the other day I raised this particular point, and it was suggested to me this would be avoided because of the cross fertilization that would occur

from the various committees or entities making up the super board, that is from the air transport committee, the maritime commission and so forth. This term "cross fertilization" is borrowed from the jargon of social science. It originally of course comes from the world of genetics. I would remind the minister that when it is applied in the field of genetics it very often produces a monster. This is the possibility that can occur if we carry this notion of a super board to the ultimate degree.

Mr. Pickersgill: Does the hon. gentleman prefer inbreeding?

Mr. Dinsdale: The minister has a great knack for anticipating speeches. I was just going to refer to another term that comes from the field of genetics, and that is the possibility of too much inbreeding which could result in bureaucratic rigidity.

Mr. Pickersgill: I think you had better go back and take another course in biology.

Mr. Dinsdale: I come to the point I want to bring to the minister's attention and that is there is a better way of achieving co-ordination than the establishment of a super board of this kind. We have cabinet committees which are supposed to co-ordinate regional policies. Our whole cabinet structure is predicated on the notion that the various regions of Canada must be adequately represented on the treasury benches. While it is true that at the present time there is no representation from the province of Saskatchewan, for obvious reasons, I am sure the minister has had brought to his attention in rather forceful terms the position of that province by the Premier of Saskatchewan, who has been a rather outspoken critic or commentator on federal policies within recent days. I point to the fact that the province of Saskatchewan is not thinking in terms of railway line abandonment as much as it is thinking in terms of railway line construction. Recently the premier has been talking about a railway line into the north. I say that the minister should heed his words.

I hope the minister will not repeat the mistake that was made back in 1959 and 1960 when he opposed the construction of the railway into the Pine Point mine area. I believe his thinking on these matters is far too negative. I know the hon. member for Qu'Appelle (Mr. Hamilton) pointed this out the other day, that the Canadian economy is moving forward. He was speaking as a western representative in this house. We have all sorts of new industries in western Canada and in northern Canada and this is going to require the accentuation of the positive in railway transportation matters rather than the accentuation of the negative.

In my own community, we are opening a fertilizer plant this fall which is related to the other great development that has taken place in the province of Saskatchewan during the past two or three years, the development of the potash industry.

An hon. Member: Ten o'clock.

Mr. Dinsdale: So, Mr. Speaker, without trespassing further on the time of the house, and at the same time expressing appreciation to the minister for his generosity in providing an opportunity for extended debate, I point out once again that there is strong feeling growing in western Canada that the bill ignores the necessity of taking into consideration the specialized interests and needs of the various regions of Canada. Second, this problem is aggravated by the fact that under this legislation we are going to move toward a super board.

May I call it ten o'clock, Mr. Speaker?

Mr. Speaker: The hon. member for Lapointe.

Mr. Scott (Danforth): On a point of order, Mr. Speaker, it is ten o'clock.

Mr. Speaker: I fear the point is not well taken. What the Chair has at the moment is an order adopted by the house that the house shall sit after six o'clock. I understand there has been an agreement amongst hon. members or a suggested agreement that we should adjourn. In so far as I am concerned, I cannot leave the Chair until there is a motion put that the house adjourn.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a few remarks—

[*English*]

Mr. Pickersgill: I made an undertaking—

[*Translation*]

Mr. Grégoire: Mr. Speaker, I shall only take ten minutes—

[*English*]

Mr. Speaker: Order. The Minister of Transport on a point of order.

Mr. Pickersgill: I hope, sir you will allow the hon. member for Lapointe to call it ten o'clock so that I can make the motion to carry out the undertaking I gave.

• (10:00 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, according to the standing orders, in view of the fact that you have recognized me, I think that I am entitled to speak before some one else can move a motion. Mr. Speaker, I should like to tell my hon. friends—

Mr. Speaker: Order. The hon. member can only speak if the house agrees to carry on beyond ten o'clock. I understand the Minister of Transport (Mr. Pickersgill) now wishes to make the motion agreed on previously today. In the circumstances, the hon. member for Lapointe may agree to call it ten o'clock which would enable the minister to move his motion.

Mr. Grégoire: Mr. Speaker, on a point of order. You now have before you a motion that the house will continue to sit beyond six o'clock. Now, under standing orders, you recognized me and gave me the floor even before you recognized the point of order of the Minister of Transport (Mr. Pickersgill). That is why, before giving the floor to the Minister of Transport to move a motion, which he cannot do under a question of privilege or on a point of order, I believe that he will not be able to do so until he is properly recognized, that is when I have finished speaking. Mr. Speaker, I believe that such is the standing order.

Mr. Speaker: Order. The point made by the hon. member is obviously well taken and I am sure that not a single member will dispute his point at this moment. I simply wanted to remind the hon. member that there seemed to be a gentlemen's agreement arrived at earlier today.

Mr. Grégoire: Well, Mr. Speaker, if there has been a gentlemen's agreement—

[*English*]

Mr. Churchill: Mr. Speaker, I rise on a point of order. If there was an agreement among gentleman that this house would adjourn at ten o'clock tonight, that agreement should be kept. Otherwise we cannot operate this institution effectively.

[Mr. Speaker.]

Mr. Pickersgill: I feel perfectly confident that the hon. member for Lapointe intends to do just that.

[*Translation*]

Mr. Grégoire: Mr. Speaker, it is precisely what I did not intend to do. I was not aware that such an arrangement had been made in this house. Now that I have been told, I am ready to co-operate with all the others, and that is why I would tell the member who called it ten o'clock—I believe it is the member for Winnipeg North Centre (Mr. Knowles) or the member for Danforth (Mr. Scott)—that I am willing to call it ten o'clock. Now, I would ask him as a favour to grant me ten minutes, since he is the only one to have called it ten o'clock earlier. I would be grateful to him if he would grant me ten minutes to express my views. If he accepts, I think I can complete my remarks within ten minutes.

[*English*]

Mr. Churchill: Disgraceful. A shocking exhibition on the part of the government.

Mr. Knowles: Mr. Speaker, on the point of order, I think that the understanding clearly entered into around six o'clock should be carried out. I think that the Minister of Transport, who was acting house leader at the time, should himself carry out that undertaking by moving that we adjourn.

Mr. Pickersgill: In so far as it is possible under the rules for me to do so, that is exactly what I desire to do. I think that the Deputy Speaker was in the chair at the time, but if I remember the words which were used I said that it would be understood that this would be an order of the house.

Mr. Knowles: That is what we thought.

Mr. Pickersgill: That is my recollection, and it seemed to me that was so understood at that time. I feel quite certain that the hon. member for Lapointe, who did not happen to be in the house at that particular moment, would not wish to interfere with that understanding, which was perhaps a little loosely entered into but was, according to my understanding, intended to be an order of the house. I feel sure that the hon. gentleman, having got the floor, will be recognized first tomorrow and his remarks will be equally welcome at that time.

Mr. Howard: Another case of mismanagement.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I understand that the Minister of Transport made an undertaking this afternoon and would like to keep it. However, I wish to remind the house that the standing orders allow me to speak, as I was recognized before the motion was introduced. If the Minister of Transport wishes to introduce his motion after I have completed my remarks, he has a right to do so.

Mr. Speaker, I feel quite at ease to continue my speech after ten o'clock, all the more so because I believe it is my duty to work as much as I can in the house in order to earn the indemnity of $18,000 that the taxpayers in Canada agree to pay us.

That is why, Mr. Speaker,—

[*English*]

Mr. Nasserden: On a point of order, Mr. Speaker—

An hon. Member: Ten o'clock.

[*Translation*]

Mr. Grégoire: Mr. Speaker, while on the subject of the motion for second reading—

[*English*]

Mr. Churchill: This is a disgraceful breaking of a word by the government.

Mr. Knowles: Mr. Speaker, I rise on a point of order. Surely it is clear from the testimony of all of us who were in the house at the time in question that there was a definite understanding that the house was to rise at ten o'clock. How can we carry on in this place if we break agreements that have been clearly and solemnly made?

Mr. Pickersgill: Mr. Speaker, on a point of order, I would maintain that there was more than an understanding. There seemed to be double acquiescence when I indicated, as the acting house leader, that this was an order of the house. I think it was so recorded in the records. If, perchance, there was a slip, I would ask Your Honour whether the record could not be examined, and whether this matter could not be determined, because I completely agree with other hon. gentlemen that if an hon. member who was not present when these arrangements were made, and were made orders of the house, can upset such arrangements, it is going to be virtually impossible to carry on our business in this house.

[*Translation*]

Mr. Grégoire: Mr. Speaker, while on the subject of the motion for second reading of the bill before us—

[*English*]

Mr. Speaker: Order, please. I regret very much, after studying the record, of what was said this afternoon, that though there was a suggestion that there might be an order of the house, there was no such order made. There is no record of an order of the house having been passed. The only thing we have was an exchange between hon. members on both sides of the house saying that there would be an agreement that we would adjourn at ten o'clock. The hon. member for Lapointe is not reported as having commented at the time.

Mr. Knowles: He was not here.

Mr. Speaker: Certainly hon. members will recognize that the Chair has to submit to the rules. The only thing before the Chair now is the motion to sit beyond six o'clock. If the hon. member for Lapointe wants to speak now I do not think he can be prevented, on the basis of the motion which was adopted earlier today.

Mr. Churchill: I rise on a point of order, Mr. Speaker. As I understand it, you have informed us that an agreement was reached by the hon. members then in the house that this house, or these proceedings, would terminate at ten o'clock. Surely that is a binding as a formal order recorded in the *Journals*, and would correspond to the customs and usages of the House of Commons of which the Speaker is the custodian. If there has been a gentlemen's agreement, I think it should be honoured and should be enforced by Mr. Speaker.

Mr. Speaker: Order, please. There is no entry on the scroll, I am informed by the clerk. If there were such an entry it would be in the form of an order. The scroll of the house does not show and will not show that there was an agreement to the effect previously mentioned.

Mr. Nasserden: On a point of order, I take it that the hon. member for Lapointe wants to speak now because he has reservations to go home. He talked about duty a few minutes ago. Perhaps his duty would be to cancel his reservation and make his speech tomorrow.

An hon. Member: He will not be here.

An hon. Member: That's O.K. So much the better.

• (10:10 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a point of order. If it was the intention of the Minister of Transport that the house should adjourn tonight at ten o'clock, he only had to provide in his motion that the house should sit from six to ten.

You read the motion a moment ago, Mr. Speaker, and it does not contain anything of the sort. It simply provides that the house continue to sit after six o'clock. It is the motion passed by the house this afternoon and it must be adhered to.

If an agreement has been entered into, we, independents, are not aware of it. Let us be kept informed of what goes on in the house and we shall abide by the agreements which may be concluded.

Mr. Speaker, I would like to say a few words on the bill now under consideration.

I do not know if the other members of the house noticed it but when we discussed the first railway bill asking that the strike be suspended, I abstained from saying anything, because I recognized the urgency of the bill and of its being passed as soon as possible for the greatest good of the Canadian economy. On the other hand, I would not like to remain silent on this bill and I will therefore make a few remarks.

We have today in Canada a situation where the railways are, under an act, prohibited from increasing their tariffs, which are frozen at a certain level, and, on the other hand, the railway employees are asking for a salary increase and cannot get it as long as the tariffs are frozen, because if the C.N.R. decided on its own to increase the salary of one C.N.R. employee, right away the C.N.R. deficit increases and if it does, it is the budget of Canada itself which will have to make up that deficit and that automatically opens the door to the president and the authorities of the C.N.R. to decide on their own how the money of the Canadian budget will be spent, without previous consultation with the Canadian parliament.

Any salary increase of one cent to the C.N.R. employees would automatically mean that that money had been taken out of the budget of the Canadian government and that would indicate that the C.N.R. had the right to take over the estimates of the Minister of Finance without previous consultation with the Canadian government.

And that is the reason why, during the negotiations, there were really no actual and effective negotiations because, on the one hand, under an act, the railways could not increase their tariffs and, on the other, under an act or the constitution, the C.N.R. does not have the right to spend money if such money has not been voted by the Canadian government, the Canadian parliament, when such money comes out of the current budget of the parliament.

But, Mr. Speaker, there is more to it than that. It is just that through the granting of subsidies for several years already, subsidies granted by parliament to the railway companies, the latter have used them to compete unfairly, uncomprehendingly, to operate illogically a transportation system. Unfair competition because the railway companies did not use those subsidies simply to freeze their rates but to reduce them, which was not provided for in the legislation granting them subsidies.

And here are several examples. Here is what a transportation company of the lower St. Lawrence region wrote to me on March 10, 1966:

> To give you a striking example of the bad faith of the C.N.R., allow me to tell you the following story: "When the government decided that truckers were entitled to subsidies for feed grains, for a locality in our territory, the railway rate stood at 49 cents for a carfull; after the government decided that the subsidies would be granted to the consignees, the C.N.R. published a rate of 57 cents. However, when the customer made up his mind to give his business to a trucker, the C.N.R. representative contacted him and offered him a rate of 29 cents, a rate which has in fact been published since.

That means that with the subsidies which the railways received, not only did they not maintain their rates, but they reduced them, which was not at all provided for in the supply bill. I have just given an example of the lowering of rates from 57 to 29 cents, which means that the transport companies could no longer compete with the railways.

Mr. Speaker, I have here another example from the Lac-Saint-Jean area and I would like to read this letter from a transport company in the riding of Lac-Saint-Jean:

> I haul grain in bulk from Quebec to Lake St. John at the rate of 24 cents per hundredweight, which is the same rate as the railways.
>
> Today, this takes the cake; up until now, this could be arranged, with great difficulty, but now the railways have suddenly decided to cut their

rates down from 24 to 20 cents per hundredweight, that is 4 cents lower than government subsidies. That is inadmissible and contrary to common sense. Who is going to make up for the difference? Well, as you already say, it is the one who pays taxes on his profits so that, in addition, the C.N.R's deficit of $60 million may be accounted for.

Mr. Speaker, I could quote more of these instances where not only did the C.N.R. not make use of its subsidies to maintain its rates, but rather used them to bring them down even to a lower level than those ordinarily charged by other transport firms or other transport media. That, Mr. Speaker, is how the C.N.R. and the C.P.R. have operated.

I have here another letter from a company of St. Germain de Grantham in which complaints are voiced over the same procedures. I also have another letter coming from a transport firm in Thetford Mines, in the county of Mégantic, in which similar complaints are made, a Levis firm in Levis County, in which railway companies are being criticized along the same line; a Richmond firm, in Richmond County, in which criticism is voiced over the same procedures; another transport firm in Rouyn, Abitibi, says:

I do not approve of the government letting the railways indulge in disloyal competition with the trucking industry.

Another company on the north shore; and there are representatives of all those companies who will also have to protest.

From Seven Islands, we hear among other things:

—huge problems which the trucking industry must face in view of disloyal competition on the part of national railways.

And I have a dozen of these which I could quote, Mr. Speaker, and in each case mention is made of the national railways using federal government subsidies not to maintain their rates at the specified level but to bring them down, and I have examples here, where the rates were brought down to a level lower than prices in force with the trucking associations and truckers in the province of Quebec.

• (10:20 p.m.)

The examples that I give you come from Quebec. And how do you want the trucking industry in Quebec, employing thousands of Quebec citizens, to develop if a company directed by Ottawa uses taxpayers' money for unfair competition, to set prices inferior to cost prices, prices inferior to competing companies and plunge those transport companies into disquiet and lead them to ruin.

Mr. Speaker, I say this: A crown company has no right to use the taxpayers' money to lead to ruin companies formed by citizens in Quebec and elsewhere, prevent them from living and operating. Because when those transport companies are prevented from living, Mr. Speaker, that means that thousands of Quebec citizens lose their jobs, because the Canadian National uses its taxes to lower its rates illogically and unfairly.

Mr. Speaker, this is a striking example of dissatisfaction which exists now in Quebec toward Ottawa. Here is a whole class of society going into the transport trade, working hard to organize a transport company, which is now driven to ruin and bankruptcy because a crown corporation, an Ottawa company reduces its rates in an effort to deprive it of its commercial operations.

And you think, Mr. Speaker, that the transport companies in Quebec, which are numerous and which employ thousands, I repeat it, of employees, are satisfied with the conditions inflicted upon them by Ottawa?

Mr. Speaker, the Minister of Transport, (Mr. Pickersgill) should take those remarks into consideration and realize that if the investigation is made seriously, the Canadian National during recent years, and the Canadian Pacific also used subsidies they received, not to maintain rates but to lower them, which is very serious, as I mentioned a while ago, from 57 cents to 29 cents. That is less than half the rates of the trucking industry. And after that, they complain that there is dissatisfaction. Well, that is one reason for dissatisfaction when private enterprise is taxed, so as to ruin its business.

Mr. Speaker, let the Minister of Transport investigate that and he will realize that this is a crown company which uses a power given by the federal government to dissatisfy a whole class of the population.

How can Quebec economy develop if Ottawa uses taxpayers' money to ruin industry in Quebec? How can Quebec have industries, develop its natural resources, if Quebec taxes are used to lead industries of Quebec to bankruptcy or ruin like the Canadian National is now doing?

Well, Mr. Speaker, this is a source of dissatisfaction. I know there is discontent in the province of Quebec over the doings of this crown corporation in this field. It is time to put an end to this. It is time to put an end to such unfair competition and all citizens should be allowed to face competition

fairly; otherwise, the people will no longer admit, they are even no longer prepared to accept, such competition.

The doings of the C.N.R. affect a whole segment of our population. Well, if a stop is not put to this, if the new legislation does not put an end to this and if the C.N.R. is not brought to its senses, I will be the first, Mr. Speaker, to tell the people of the province of Quebec that they are in fact ill-treated by crown corporations.

[*English*]

Mr. Churchill: Mr. Speaker, I rise on a point of personal privilege which affects all members of this house. We have witnessed tonight a shocking example of a misuse of the rules, customs and practices of this house. On the basis of information I have received from my colleagues, I should like to record the fact that there was an agreement made in this house between members of the government and the opposition side that the house would continue after six o'clock but would terminate its sitting at ten o'clock.

On many occasions in this house there have been similar agreements made without a written order being recorded in *Hansard*. I recall many occasions during five and a half years as party house leader on both the government and opposition sides when we have made arrangements like this,—on countless number of occasions. The flouting of this kind of an agreement tonight is the first time in my experience such a thing has happened. I should like to record this fact in *Hansard* so that parliamentarians today and in the future will realize that these agreements are agreements between gentlemen and are recognized in this house, despite our differences politically.

Let me also record the fact that a minister of the crown acknowledged there was an agreement to continue past six o'clock although, perhaps by negligence, the formal motion did not contain a reference to a ten o'clock termination. That arrangement should have been carried out by the House of Commons. I think our experience tonight has been a bad experience in the House of Commons and I hope it will never again be repeated.

Mr. Pickersgill: Mr. Speaker, I want to apologize to hon. members if, through any negligence on my part, what I understood and believed to have been an order of the house was not so recorded in the scroll. If that is what happened I do not blame anyone else but myself. There may have been some technical negligence on my part and, if so, I apologize.

I completely agree with the hon. member for Winnipeg South Centre (Mr. Churchill), that whether or not an agreement is formally entered, and I say this as a result of my long experience, a member does not have the right to consider that he is not bound by the agreement simply because he was not in the chamber at the time it was made.

I would hope, sir, that if there is any danger of this kind of experience being repeated, some steps could be taken right away to amend the rules so that this kind of thing could not happen again. I feel very humiliated, sir, that this should have happened in the circumstances in which it did, and any injury I did to hon. members I regret very much indeed.

I would now move the adjournment of the house.

Mr. Howard: Mr. Speaker, I rise to speak on the question of privilege before the motion to adjourn is put. I think we should have one thing crystal clear here. Contrary to what both the Minister of Transport (Mr. Pickersgill) and the hon. member for Winnipeg South Centre (Mr. Churchill) said earlier—contrary to the opinions they expressed—it was undeniably the right of the member for Lapointe (Mr. Grégoire) to stand up and speak, having obtained the floor, and no gentlemen's agreement could wipe out that right of the hon. member.

If the Minister of Transport had wanted to make it an order of the house that we conclude at ten o'clock, he would have included it in his motion. In fact I submit to you, sir, that he was asked specifically if he would amend the motion. I believe the hon. member from Oshawa asked him for a cut-off hour at ten o'clock, and the minister refused point blank to do that. There was no order of the house and there was not any intention that there be an order of the house. There was just a conversation between two or three members, and that does not in my opinion constitute an agreement to ride roughshod over any individual member of the house.

The hon. member for Lapointe, regardless of what we may think about his speech and the fact that he may have inconvenienced some of us who thought we would go home at ten o'clock tonight, undeniably had the right

to speak, and I will stand up and defend that right. No gentlemen's agreement should be allowed to overrule the few remaining rights members have in the house.

Mr. Rapp: Mr. Speaker, I was not one of those who met with the Minister of Transport (Mr. Pickersgill) but I am sure the minister acted with every good intention and it was just a case that he did not put it on the record. I fully accept his explanation.

[*Translation*]

Mr. Grégoire: On that same question of privilege, Mr. Speaker, in view of the fact that reference has been made to a misuse of the rules and to a breach of a gentleman's agreement, I would like to say this: In the past, I have been house leader of my party, of the party to which I belonged, and I always respected any agreement made between house leaders—and the hon. member for Winnipeg South Centre (Mr. Churchill) was there then and the Minister of Transport (Mr. Pickersgill) was also a party to them—and I am ready to continue respecting any such agreements so long as they are made known. And in the past, Mr. Speaker, when I held that position, if an agreement was reached and we were not in the house, we were advised. And when certain members of the group were not present in the house, I notified them. But today, I was not informed, we were not informed, we were not even aware of it and, had we been informed, we would have respected the agreement. But, not only did I use my right to speak but, I do not believe I have broken any agreement, because I was not a party to such agreement and I was not even made aware of it. Let us be made aware of such agreements and I shall respect them. But I do not accept at all the statement of the hon. member for Winnipeg South Centre to that effect.

[*English*]

Mr. Speaker: Order, please. If the Chair may have the last word, I would simply like to read into the record the motion which was submitted to the house this afternoon:

Mr. Pickersgill, seconded by Mr. Turner, moved, pursuant to standing order 6(2), that the house continue to sit after 6 p.m.

Standing order 6(2) says:

• (10:30 p.m.)

6(2) An extended sitting under the provisions of this section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the house has been made by virtue of the operation of any other standing order.

I am in agreement with the minister and with others that there has been a very unfortunate misunderstanding. I certainly concur with the suggestion made by the hon. member for Winnipeg South Centre (Mr. Churchill) that we should not see a repetition of the very unfortunate circumstances of which we have been witnesses.

I understand a motion has been made by the Minister of Transport (Mr. Pickersgill) seconded by the Minister without Portfolio (Mr. Turner) that this house do now adjourn.

Motion agreed to and the house adjourned at 10.35 p.m.

HOUSE OF COMMONS

Thursday, September 8, 1966

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

LAOS—TABLING OF REPORT ON ATTACK BY NORTH VIET NAM

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Department of External Affairs has recently received a report of an investigation by the international commission for supervision and control in Laos of an attack on Dong Hene by North Vietnamese troops. For the convenience and interest of hon. members I would like to table two copies of this report.

Mr. Speaker: Has the Parliamentary Secretary to the Secretary of State for External Affairs leave of the house to table this report?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

INQUIRY AS TO CONSIDERATION OF MEDICARE AND OLD AGE PENSIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to ask the Acting Prime Minister whether last night's broadcast interview of the Minister of Finance (Mr. Sharp) was an indication on the part of the government that it does not intend to proceed with medicare.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I did not hear last night's speech of my colleague. I am sure it was a notable performance, as one would expect from him.

Mr. Diefenbaker: "Notorious" would be a better word.

Mr. Martin (Essex East): The government does intend to proceed with the medicare bill this session.

Mr. Diefenbaker: Will the Acting Prime Minister now tell the house, with his usual lucidity and careful choice of words, whether the government of Canada, in view of the fact that only a few provinces have signified their intention of going into the plan dictated by the federal government, now intends not to proceed with the medicare plan? If this is not the case, can the Acting Prime Minister tell us what was the significance of the words of the Minister of Finance last night?

Mr. Martin (Essex East): I just indicated, Mr. Speaker, that we were going to continue with the plan.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Acting Prime Minister whether he is now in a position to answer the question I put to him yesterday as to when we will be given the statement indicating the date on which we will proceed with the old age pension legislation and with medicare.

Mr. Martin (Essex East): As my hon. friend knows, the government house leader will discuss this matter with the other house leaders, all distinguished men including my hon. friend. I am not saying that facetiously; I mean it, because my hon. friend is a distinguished member of this house. After these gentlemen have had their conference we will be in a better position to give a more specific response to this worthy question.

Mr. Knowles: If I cannot get a better answer than that from the Acting Prime Minister I will have to put my question tonight at ten o'clock.

Mr. Martin (Essex East): May I simply say, in answer to my hon. friend's question, that since yesterday when the hon. member asked me for a statement on priorities I have had the chance to read what the Prime Minister said on September 1. In answer to a question by the hon. member for Winnipeg North Centre he said that as soon as we completed consideration of the railway legislation it was his intention to make a statement in the house about the priority attached to other pieces of legislation.

Mr. Diefenbaker: Then we will get that today.

Mr. Knowles: Ten o'clock, Mr. Speaker.

Inquiries of the Ministry

Mr. Eric A. Winkler (Grey-Bruce): I should like to ask a supplementary question of the Acting Prime Minister. Does the government intend to proceed with the increase in old age security pensions?

Mr. Martin (Essex East): My hon. friend knows, of course, if he wishes to recollect, that no government in our history has done more for the old age pensioners than Liberal governments, including the present government.

Mr. Winkler: In the light of that reply I should like to ask the Acting Prime Minister if he is aware that he had better act soon before it is too late, or he will be classified as the government was in 1955.

Mr. Martin (Essex East): I am aware of the fact that the people of Canada know that practically all—

Mr. Speaker: Order, please.

FINANCE

REPORTED INTENTION TO REDUCE FEDERAL SPENDING

On the orders of the day:

Mr. Robert C. Coates (Cumberland): My supplementary question is based on the telecast of last evening. I should like to ask the Minister of Finance if he is now in a position to indicate the extent of the reduction in federal government spending for the remainder of the present fiscal year as a result of the economic indicators mentioned.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am waiting most anxiously for the debate on the transportation bill to terminate so I can make a statement.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO PURPOSE OF MEETING OF BOARD OF DIRECTORS

On the orders of the day:

Mr. David Lewis (York South): I wanted to ask this question of the Secretary of State but in her absence may I direct it to her parliamentary secretary. In view of the fact that the board of directors of the Canadian Broadcasting Corporation is now meeting, can we have information as to whether the board intends to implement the Keate report or the parliamentary committee report at its present meeting?

[Mr. Knowles.]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I shall take the question as notice.

[*Later:*]

Mr. Lewis: Mr. Speaker, may I now ask the Secretary of State the question I asked earlier before she came into the chamber. In view of the fact that the board of directors of the Canadian Broadcasting Corporation is now in session, could the hon. lady inform the house whether the board has any intention of implementing at this meeting either the recommendation of the Keates report or the recommendation of the report of the parliamentary committee; or will the present vice presidents remain in their positions instead of some meaningful changes being made?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I had the opportunity to meet in a social way with the members of the board last night, and I was informed that this question was on the agenda of the directors' meeting. I should remind my hon. friend that a couple of months ago a C.B.C. release stated that it was intended to appoint two new vice presidents, one from French radio and one from English radio. I assume, indeed I heard, that the C.B.C. was interviewing various persons during the past month or so with respect to these positions, though I have no later information as to whether anyone has been accepted.

Mr. Lewis: A supplementary question. Perhaps it was merely a slip of the tongue, but the hon. lady referred to the appointment of one vice president from French radio and one from English radio. Is there any significance in those words?

Miss LaMarsh: I think I was using "radio" in the sense that one talks of communications, and it includes, of course, television.

GERALD CAPLAN—INQUIRY AS TO CONTINUATION OF EMPLOYMENT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Secretary of State, but in her absence I direct it to the parliamentary secretary. I see the Secretary of State has now joined us, so I shall direct the question to her in her capacity as spokesman in this house for the Canadian Broadcasting Corporation. Is the Canadian Broadcasting Corporation planning to engage Mr. Gerald Caplan for any further interviews on the

subject of Rhodesia? If so, is it correct that Mr. Caplan's current engagements are sponsored by an African organization known as ZAPU?

Mr. Speaker: Order, please.

Hon. Judy V. LaMarsh (Secretary of State): It did sound to me like that but I am not sure, Mr. Speaker.

[*Translation*]

LABOUR RELATIONS

WAGE INCREASE GIVEN TO STRIKING RAILWAYMEN

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Citizenship and Immigration.

I heard him last night on television, and I think he made objective remarks. I even thought at one point that he was becoming a Créditiste.

Here is my question, Mr. Speaker. The minister said last night that the 18 per cent increase granted to the railway workers within two years is a minimum, but does he feel that after the negotiations they will obtain more than the 18 per cent he mentioned last night?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, it is the mediator or the arbitrator who will eventually settle this matter.

[*English*]

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I wonder if the Acting Prime Minister can inform the house when he expects the report of the royal commission on bilingualism and biculturalism will be completed and published.

Hon. Paul Martin (Acting Prime Minister): I do not know, but I will find out.

ADMINISTRATION OF JUSTICE

SPENCE ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. R. A. Bell (Carleton): May I ask the Acting Prime Minister if he can report to the house, as a result of his inquiry undertaken yesterday at the request of the hon. member for Ontario, whether the report of the Spence royal commission has been received? Has this savory document been flown to London for the edification of the Prime Minister?

Hon. Paul Martin (Acting Prime Minister): No, sir.

Mr. Eric A. Winkler (Grey-Bruce): May I ask a supplementary question. Is the Acting Prime Minister in possession of it?

Mr. Martin (Essex East): No, sir.

Mr. Bell (Carleton): The Acting Prime Minister failed to answer the first question, although he did answer the second. Is he going to answer?

Mr. Martin (Essex East): I have.

[*Later:*]

Mr. Winkler: Mr. Speaker, I have a question for the Acting Prime Minister. Could the Acting Prime Minister inform the house whether any member of the cabinet is in possession of the Spence commission report?

Mr. Martin (Essex East): No, sir.

HEALTH AND WELFARE

STEPS TO OVERCOME SHORTAGE OF MEDICAL PERSONNEL

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In view of the statement made in the last few days by the president of the Canadian Medical Association regarding the shortage of medical personnel—and I am asking my question independent of any considerations of medicare—is the government now seriously considering an emergency crash program to recruit medical personnel, including doctors, for Canada?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, this matter is receiving the consideration of the government, but there is no consideration of any crash program.

Mr. Grafftey: Could I also ask the minister this question. Since the academic year at our universities is just beginning, is the government seriously considering grants for medical research at the universities so we can keep our medical teachers in Canada?

Inquiries of the Ministry

Mr. MacEachen: Mr. Speaker, this is a matter which is under consideration and review by the government.

LABOUR CONDITIONS

EXTENT OF USE OF TRANSITIONAL ALLOWANCE BENEFIT INSURANCE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the minister of manpower. In view of the great number of people who have been laid off or transferred in the motor car industry due to the Canada-United States car treaty, is the transitional allowance benefit insurance fulfilling its original purpose, and approximately how many workers are using it?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, those who are laid off on account of a drop in production which is related to the trade pact are allowed to receive the TAB benefits. I think the question as to how many receive them should be directed to the Minister of Labour, who is responsible for TAB.

ROYAL CANADIAN MINT

SUGGESTED PRODUCTION OF PROOF SETS OF COINS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Finance. In the light of the recent lay-offs of employees, notably pressmen, at the mint, with a view to increasing employment and increasing the numismatic interest in Canadian coins would the minister consider instituting the minting of proof sets, as distinct from proof-like sets, for this and for subsequent years?

Mr. Speaker: Order, please. I suggest to the hon. member that this is not a question of urgent national importance. Perhaps it could be placed on the order paper.

[*Translation*]

EXTERNAL AFFAIRS

DONATION OF CANADIAN BOOKS TO FRENCH LIBRARIES

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs (Mr. Martin) and Acting Prime Minister.

[Mr. Grafftey.]

In view of the recent press reports that, a few days ago, in the course of a speech at a dinner in honour of the French Minister of Education, the minister is reported as having announced that the government is prepared to make available to six French libraries in various parts of France, a collection of some 800 works in English and in French. May I ask the minister when the government intends to proceed with this well-inspired gesture and what may be the approximate proportion of English and French works?

Mr. Speaker: This question should be put on the order paper.

TRANSPORT

PROVINCIAL REACTION TO LEGISLATION NOW BEING CONSIDERED WITH REGARD TO BILL NO. C-231

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Transport (Mr. Pickersgill).

Can the minister inform the house if Bill No. C 231 now under consideration caused any reaction in the various Canadian provinces, particularly in the province of Quebec? Has the minister received from the provincial authorities objections with regard to Bill No. C-231?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): In the case of the provincial authorities of Quebec, up to now no representations have been brought to my attention.

COMMONWEALTH RELATIONS

CONFERENCE OF PRIME MINISTERS—CANADIAN STAND ON RHODESIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Secretary of State for Exernal Affairs, in connection with the prime ministers' conference in the city of London, whether the stand of the Canadian government now is that the situation in Rhodesia is a dangerous and difficult one, and that it should be dealt with by the prime ministers' conference rather than being submitted to the United Nations.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the debate on Rhodesia at the prime ministers' conference began, as we all know, the day before yesterday. It is possible that the Prime Minister

will be making an intervention later today or tomorrow. In view of the fact that at this stage these discussions are held in camera, and as there is no finality in the matter at the moment, I feel that it would not be in the interests of a solution if I were now to anticipate the stand that Canada may take with regard to this question.

In the light of proposals which are now before the conference, proposals that have been made by the Prime Minister of Singapore, the foreign minister of Zambia and several other representatives, I would prefer—and I think my right hon. friend would agree—that the matter should be left this way at this stage.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Apparently the minister has not been informed of what the Prime Minister said on arrival in the United Kingdom, as reported in the London *Times* of Tuesday, which says:

Refusing to commit either himself or his country—

Mr. Speaker: Order, please. The right hon. gentleman knows that according to the rules he cannot quote directly from the report on which he wishes to base his question.

Mr. Diefenbaker: Mr. Speaker, I had to refer to what was reported in the London *Times* so I could bring it to the attention of the minister. May I ask the minister, did not the Prime Minister himself on arrival in the United Kingdom advise that this matter should be dealt with by the prime ministers' conference and not by the United Nations?

Mr. Martin (Essex East): At the opening of this conference the position of a good number of the countries in the Commonwealth was that it would be desirable if possible to try to bring about a solution of the Rhodesia problem within the Commonwealth. I believe this is something for which we all would aim. This does not, of course, preclude the possibility of examining a resort to procedures which might be available under the charter of the United Nations. I am not saying that resort will be made to such procedures, but in the discussion which is now underway there will undoubtedly be proposals calling for an examination of alternatives.

Mr. Diefenbaker: The minister mentioned the proposal of the prime minister of Singapore. Would he not agree that the acceptance of the proposition put forward by the prime minister of Singapore for the sending of troops, from whatever part of the Commonwealth they might come other than the United Kingdom, is not in keeping with Commonwealth responsibility or tradition?

Mr. Martin (Essex East): We all have our views as to what would be the wisest course, but I think instead of declaring these views while the conference is in progress it would be better to suspend judgment.

Mr. Diefenbaker: The Prime Minister has made his statement.

CANADIAN CENTENNIAL

PROPOSED VISIT TO CANADA BY THE QUEEN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Earlier this week, in reply to a question I asked, the Acting Prime Minister said he hoped within several days to make an announcement in connection with the plans for the visit to Canada of Her Majesty the Queen. In view of comments in the press and reports coming from London, I wonder whether he has a statement for the house at this time.

Hon. Paul Martin (Acting Prime Minister): The Prime Minister has been in communication with the premiers of the provinces. He has not heard from three of them, and I am afraid that the anticipation I expressed the day before yesterday may not be realizable this week.

Mr. Thompson: Does an invitation to Her Majesty the Queen to Canada involve permission from the provinces before it can be extended or announced?

IMMIGRATION

PROVISION OF ADEQUATE HOUSING FOR IMMIGRANTS

On the orders of the day:

Mr. Max Saltsman (Waterloo South): I wish to address a question to the Minister of Citizenship and Immigration. In view of the 200,000 immigrants expected in Canada and the serious shortage of housing to accommodate them, can he tell the house what action he intends to take to ensure that adequate housing will be available for these immigrants?

Hon. Jean Marchand (Minister of Citizenship and Immigration): The figure mentioned by the hon. member relates, as he said, to the number of immigrants anticipated. I do not know whether those who have not yet

arrived will find appropriate accommodation in Canada. As far as the others are concerned, we have not received too many complaints yet, and I see no major problem at this stage.

Mr. Saltsman: Regardless of the number of immigrants expected, has it not been drawn to the minister's attention that immigrants to this country trying to find housing are encountering serious difficulties?

Mr. Speaker: Order. This question is not allowable on the orders of the day.

Mr. J. H. Horner (Acadia): A supplementary question. Is the government taking any special steps to encourage immigration from Great Britain in view of the austerity program in that country at the present time?

Mr. Marchand: We receive immigrants from all parts of the world, many of them from Great Britain, and we shall continue to receive them in about the same numbers as last year.

Mr. Horner (Acadia): But is the government making any special effort or taking any special steps in view of conditions in Britain today?

Mr. Marchand: We do not take any special steps. I know that some of the provinces do, as the hon. member read in the newspaper. I think the province of Manitoba is sending a group of men overseas who will look for immigrants, but we are not making any special effort this year with respect to immigration from Great Britain.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): A supplementary question, Mr. Speaker.

In view of the way Mr. Fouchet, the French Minister of Education reacted to French immigration to Canada, does the minister intend to take special action to get around the difficulties brought to light by Mr. Fouchet and to stimulate French immigration in accordance with a policy he announced previously?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, if I am not mistaken, the French Minister of Education stated that his country favoured immigration, not emigration. He indicated that he was not anxious, nor was the French government anxious to see French workers leave the country. We knew that. Besides, all we want, notwithstanding the French government policy, is that where there are Frenchmen who wish to immigrate, we would like them to come to Canada, and we will concentrate our efforts in that direction.

Mr. Réal Caouette (Villeneuve): One further question, Mr. Speaker.

The minister stated on television the other night that immigration was as much a provincial responsibility as a preoccupation of federal authorities, and I agree entirely, because section 95 of the British North America Act—

Mr. Speaker: Order. Does the hon. member have a question?

Mr. Caouette: Is the minister making the necessary arrangements or consulting with the province of Quebec so that the latter may assume its responsibilities with regard to immigration?

Mr. Marchand: Mr. Speaker, I was inaccurately quoted in the preamble to the question—it is not my wish to engage in debate over this, but I at least want to point out that the quotation was inaccurate, since there is no jurisdictional equality—however, I have already met with Quebec representatives and I invited them to do like Ontario and the other provinces are doing, namely deal with immigration within the limits of their jurisdiction.

[*English*]

NATIONAL HOCKEY LEAGUE

APPLICATION OF CANADIAN LAWS TO HOCKEY PLAYERS

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I wish to direct a question to the Solicitor General of which I have given him notice. Will he be notifying that slave-holding state known as the National Hockey League that the free laws of Canada apply to hockey players as well as to all other men in Canada?

Mr. Speaker: I have the impression that the hon. member is aching for an opportunity to discuss this at ten o'clock.

Some hon. Members: Oh, oh.

Mr. Cowan: Ten o'clock.

PILOTAGE

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, in view of the interest previously shown during the question period about royal commissions may I ask the Minister of Transport about a royal commission that really is important, namely the royal commission on pilotage.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the last time I made inquiries I was told it would be some considerable time before the report of this royal commission could be available. If the hon. gentleman felt that any influence he could exert would speed it up, I would be grateful.

THE CANADIAN ECONOMY

INQUIRY AS TO APPOINTMENT OF COMMISSION ON PRICE SPREADS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, there is a question I would like to ask the Acting Prime Minister which also arises out of that memorable broadcast of last evening. Has the government determined on the appointment of a price spreads commission similar in purpose and aim to that set up under the government of Right Hon. R. B. Bennett? If such a determination has been made, have any invitations been extended to potential members of that commission?

Hon. Paul Martin (Acting Prime Minister): No, Mr. Speaker.

ADMINISTRATION OF JUSTICE

GOVERNMENT CONSIDERATION OF BILL TO ABOLISH CAPITAL PUNISHMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Solicitor General, supplementary to one that was put to him yesterday by the hon. member for Red Deer. When the Solicitor General makes his statement in the house giving the reasons for commuting death sentences would he also consider telling the house what consideration the government may have given to bringing in its own bill for the abolition of capital punishment?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I believe the question raised by the hon. member covers a matter of government policy, and I am not in a position to answer at this time.

FORESTRY

REQUEST FOR ANNOUNCEMENT OF FEDERAL POLICY

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Minister of Forestry. Can the minister inform the house when he will be in a position to make a statement on the comprehensive forestry policy which was recommended by the resources for tomorrow conference, and upon which his officials have been working for some time?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I discussed this subject during the last debate on the estimates of my department.

[*Translation*]

EXPO '67

REQUEST FOR STATEMENT ON INAUGURATION PROGRAM

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put my question to the Acting Prime Minister (Mr. Martin).

Would the minister tell the house whether the government has received from the authorities of the World Exhibition the program for the inaugural day and would the minister repeat in this house the names of foreign personalities who are going to participate in this inauguration?

Mr. Speaker: I suggest to the hon. member that this question is not urgent and I ask the hon. member to place it on the order paper.

[*English*]

VETERANS AFFAIRS

INQUIRY AS TO GOVERNMENT ACTION RESPECTING HONG KONG VETERANS

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs dealing with the report of the veterans affairs committee concerning the prisoners of the Japanese during world war II. Is the minister in a position to advise what action is being taken on the recommendations of the committee?

Inquiries of the Ministry

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I wish to thank the hon. member for giving me notice that he would ask this question. The fourth report of the standing committee on veterans affairs supported the recommendations made by Dr. Richardson in his report of January, 1966, on the problems and disabilities of Hong Kong veterans. His recommendations were already being implemented, and this required a detailed review of the record of every Hong Kong veteran.

The review is well advanced but has not been completed, because it has been found necessary to examine veterans who have previously been unwilling to report for examination, and others who have not been seen in recent years. The commission is now studying the committee's further recommendations, which are supplementary to and conditional upon completion of the above review, with a view to determining how they may be implemented.

[*Translation*]

HOUSE OF COMMONS

REPORTED ABUSE OF FRANKING PRIVILEGES

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to put a question to the Postmaster General (Mr. Côté).

In view of the fact that the separatist member for Lapointe (Mr. Grégoire) said during a press conference that he would use his franking privilege to promote separatist publicity in Canada or in the province of Quebec; in view also of the fact that a number of Conservative members of the house misused their franking privileges for election propaganda purposes when parliament was dissolved in 1965, will the minister restrict the franking privileges of the members?

Mr. Speaker: Order. The question put by the hon. member contains several allegations and may certainly not be asked at this time.

[*English*]

NATURAL GAS

POSSIBLE APPEAL RESPECTING PIPE LINE DECISION

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I would like to ask the Minister of Mines and Technical Surveys whether the government has received any appeals against its decision to prohibit Trans-Canada Pipe Lines from building its new gas transmission line in part through the United States.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I do not think there is a possibility for a legal appeal against the decision of the government, but a meeting has been arranged for tomorrow morning between some members of Trans-Canada Pipe Lines and some members of the government to hear the company's point of view.

[*Translation*]

AGRICULTURE

FEED GRAIN—PROTEST AGAINST DISCONTINUANCE OF FREE STORAGE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in the absence of the Minister of Agriculture, I wish to direct my question to the Minister of Forestry.

Has the government received a telegram from the officers of the Quebec Miners Association, who are holding an emergency meeting in Quebec city, protesting against the decision of the federal government to abandon the policy of free feed grain storage?

Hon. Maurice Sauvé (Minister of Forestry): Yes, Mr. Speaker, and we do not intend to reconsider our decision.

[*English*]

ADMINISTRATION OF JUSTICE

RETURN FROM U.S. OF ESCAPED PRISONERS FROM CANADIAN PENITENTIARY

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I would like to ask whether the Secretary of State for External Affairs has an answer to the question I asked him yesterday and which he undertook to answer some time today, relating to the return to Canada of four escapees from a Canadian penitentiary.

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker. My hon. friend's question has to do with a statement which is supposed to have been made by the Attorney General of the United States concerning escapees from a Canadian penitentiary who are now in custody in the state of Indiana.

We have made inquiries of the United States state department about this matter and I have

been advised that the authorities in Washington deny that the Attorney General made any such statement. The United States authorities immediately concerned have confirmed that one of the escapees was indeed of North American Indian origin, but they have also expressed the opinion that this fact would not in itself involve the waiving of the extradition arrangements in effect between our two countries. There are consultations now in progress between Canada and the United States on the matter.

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY

The house resumed from Wednesday, September 7, consideration of the motion of Mr. Pickersgill for the second reading of Bill No. C-231, to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions.

Mr. Speaker: If the minister speaks now he will close the debate. The right hon. Leader of the Opposition.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to make a comparatively limited number of observations on this important bill. It covers a subject that has been before parliament on a number of occasions and the subject of a series of royal commissions. The problems surrounding the bill's application have been fully discussed by members of all parties and in particular by members of Her Majesty's Loyal Opposition. The detailed examination given by members indicates the attitude of the opposition about a problem of deep significance. It is one requiring the fullest consideration and discussion by the committee when it is set up.

The bill is of a complexity that makes necessary complete and thorough examination. In committee hearings I hope that counsel will be provided to ensure that representative groups will be assured that their evidence will receive fullest consideration and in the presentation of it they will have the benefit of counsel learned in this abstruse field of the public service.

In 1931, under the prime ministership of Right Hon. R. B. Bennett, a commission was set up to inquire into transportation in Canada, particularly in relation to railways, shipping and communication facilities, having regard to present conditions and probable future development, and to report their conclusions and make such recommendations as they thought proper. The order in council gave an indication of the comprehensive nature of the transportation problem:

> —the vital importance of transportation to the trade and commerce of Canada, the serious and continuing deficits of the C.N.R. system, and the diminished revenues of the C.P.R. system, conditions which have been brought about, in part, by duplication of tracks, facilities and services of every kind, and in part by competition by other modes of transportation, particularly motor vehicles operating on highways—

Reference to that order in council is indicative of the fact that the problem has changed little in 35 years. The Duff commission on September 13, 1932, recommended:

> —affording early relief to the federal treasury by reducing the alarming and increasing deficits and the demands for further capital expenditure in connection with the C.N.R. system.

Through the years the problem has remained unsolved and indeed insoluble. In conclusion the 1932 report stated:

> We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless this country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the economical and efficient working of both railway systems and thereby not only reduce the burden on the federal treasury but improve the financial position of the privately owned railway, then the only courses left would be either to effect savings in national expenditure in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation—

I refer to this because there are those who would have us believe this problem has developed only recently. When we on this side were charged with the administration of affairs, we decided, as a matter of major importance, in order to bring about development on a fair and equal basis in all parts of Canada, there must be an examination in detail of the transportation problem. In particular, we decided, without other matters taking a secondary position, the discrimination in freight rates which has played havoc in western Canada and the maritimes should be studied in search of a fair and reasonable formula.

The order in council which set up that royal commission made it clear the removal of discrimination was of major importance. Time passed. The commission made its report. There have been some suggestions there was delay on the part of the government of

that day. The first report of that commission was received in March and released on April 10 of 1961.

At that time the commission set forth the general principle that burdens which are the result of obligations imposed upon railroads by tradition, law and so on should be lifted. Its major recommendations were that there should be self-liquidation of subsidies starting at $97.3 million in 1961 and reducing gradually to $30 million in 1965 to meet the removal of distortions which have resulted from national obligations and so on, that unnecessary passenger services should be discontinued, and that branch lines which are unnecessary should be closed. A $13 million loan fund was recommended to be established to offset the cost of maintaining certain uneconomical branch lines during the 15 years of the transitional period. It also stated that the statutory rates on grain were considered to be too low and that in their place a subsidy of $23.3 million should be substituted.

• (3:20 p.m.)

A second report was tabled on January 23, 1962. The recommendations included first, the removal of the $7 million bridge subsidy on rail shipments across northern Ontario, second, the withdrawal of federal subsidies on goods moved by rail within the maritime provinces and, third, the appointment of a national transportation advisory council to report to the Minister of Transport and be responsible for assessing the impact of decisions made by all regulatory transportation agencies. Finally, it was recommended that there be the creation of a transportation statistics committee and the inauguration of an industrial freight traffic survey.

We had the legislation ready. It took some months to get that legislation ready, and in the fall of 1962 the undertaking was given that early in 1963 we would proceed with the legislation. We were defeated in the house, went to the country and a new government came into office. There was no delay or failure to take action for which we can be criticized, because we had to wait for reports.

That being so—and I have simply outlined some of the general considerations—what are the matters in issue?

The first, as I see it, is that if the legislation in its present form is not amended there will be continuing discrimination against the maritime provinces, the western provinces especially and northern Ontario in part. The railways will be all-powerful. They will be able to exact, almost without limitation, anything the traffic will bear. That is a serious matter.

After the war there were increases of 157 per cent in freight rates across the board excepting within the limitations of the Maritime Freight Rates Act and the Crowsnest pass arrangements. The result was that the discrimination of 1945 which in western Canada, according to my recollection, had begun at 17 per cent was accelerated by across-the-board additions to freight rates, thereby penalizing even more the western provinces. This again was subject to the terms and limitations provided under the Maritime Freight Rates Act.

Unless this present legislation is changed by parliament we will have in Canada for all time to come the injustice and distortion that result from certain areas of Canada having to pay freight rates far greater than other areas which have access to water or other transportation. This legislation cannot be accepted in its present form because it will result in continued unequal development of Canada.

This cannot be brushed aside. We cannot as Canadians, wherever we live, accept the principle that some parts of Canada are a no-man's land for future development because of the acceptance of discrimination perpetuated in legislation. That is the first serious objection and one upon which I hope representatives from all parts of Canada will give evidence before the committee. This serious short coming must be rectified.

On the question of rationalization, I am seriously concerned about the results that will follow in the setting up of a board in name only, without power. The first thing the government should do, and I hope the minister will announce this today, is to have the railway companies withdraw applications made to date for the closing down of some 8,000 miles of railway lines across this country.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I think it is fundamental—

Mr. Pickersgill: Mr. Speaker, I wonder whether the right hon. gentleman would permit me—

Mr. Diefenbaker: Perhaps the minister would allow me to continue. I know what he said the other day and I am asking him when he speaks today—on this occasion he is going

to follow me, apparently; I have often felt that I could give him some good leadership if he would do that in many other things—to deal with this question. The minister is going to follow me and then he will be able to answer. I know the undertaking that he gave the other day, but I should like to see the railways show their bona fides now by having the minister announce that these applications are withdrawn, not in the future, not when the committee is set up or is giving consideration to the matter, but now, because there will be grave injustice perpetrated unless action along this line is taken. An announcement by the minister today will show that we are not to accept the nebulous promises of the future as to action on the part of the railways in this regard. It could be explained clearly, that in consequence of representations made during this debate there will be action now to remove the overhanging fear facing various areas affected by the applications.

The third important matter is that there must be a body to control unjustifiable increases in freight rates. Are we going to hand over to the tender mercies of Canadian National Railways and the Canadian Pacific Railway the right to say: This is what we are going to charge, we can get away with it because there is no right of appeal or no effective appeal? They can charge whatever the traffic will bear.

That is a proposition I cannot accept.

What would be the consequence of such a proposition in connection with the tremendous developments that have taken place in potash mining in Saskatchewan, although I am not arguing this case from the point of view of western Canada alone but of the nation as a whole? When I was a boy these areas were regarded as completely unfit for cultivation. They were salt areas, alkali flats and the like. I know that the Minister of Transport is fully aware of this because the same situation prevailed in his area in Manitoba. We did not know that we had not a gold mine but a golden mine underneath our province and spreading to a lesser degree into the adjoining provinces.

• (3:30 p.m.)

There can be no competition to keep down the price of freight on potash within Canada if this legislation is passed. It might be argued that there could be competition from the trucking companies. Trucks cannot meet the problem of transporting hundreds of millions of tons of potash, and in saying that I deliberately understate the potential of potash. We must not allow the removal of national direction in connection with freight rates. Is the government going to give to the railway companies—I mentioned potash as an example—the complete privilege of exacting whatever they wish without any limitation by competition? To do so will provide a field day for those who operate railway companies. Surely we have not come to that position yet.

I believe that we have imposed on rail transportation too much legislation and too many rules. Some of those rules must be revised but that does not mean that we should give to those kindly, gentle and philanthropic boards of directors of the great railway companies the power to make Canadians pay through the nose where there is no competition to keep freight rates down.

I emphasize the need of a complete review not in the interest of one part of Canada but in the interest of the whole country. There is no reason why we who live in western Canada and those who live in the maritime provinces should be placed in a secondary position because of freight rates which will impose upon these areas to a far greater extent than on any other parts of the nation.

In this connection I think the editorial which appeared in the *Telegraph Journal* on August 31 is of importance. It was headed: "National Transport Policy: This Area Must Be Alert." That was the view expressed by various maritime members during the progress of this debate. The editorial went on to say:

> A national transportation policy based solely on "compensatory" freight rates—(i.e. keeping only profitable lines operating) could do immense harm to the maritimes.

It then continued:

> So far, Ottawa seems to be keeping this in mind. It will be up to the Atlantic provinces to be sure their interests are protected as parliament legislates in this crucial field.

The next point I wish to raise is that we must not place the trucking industry of Canada in an unfair competitive position with the railways. The trucking industry is an industry of great importance in this nation. This legislation will continue to subsidize the railways within the limited areas which are referred to in the statutes but there is nothing that will protect the trucking companies from unfair or unjust competition.

I will give an example that has been brought to my attention of a case which

cannot be justified. The case to which I am referring indicates the kind of injustice that this industry can suffer under the present laws. I am prepared to give the name of the company but I think the house will agree that in fairness it should not be mentioned. I will show the minister the letter in question so that the company's name will be available to him. This is a cartage company licensed for highway hauling. The letter reads in part:

> I could give you many, many instances of rate cutting and agreed charges which have forced independent truckers out of business since 1959, but I will give you one complete example which happened to us.

The author of the letter then goes on to point out that a certain shipper was receiving poor and indifferent service from the railway and this company agreed to haul the freight at the rate of 82 cents per hundredweight. Three months later, after the company had begun hauling the commodity, it was advised that the C.N.R. had lowered its rate to 68 cents per hundredweight. The company agreed to continue at this rate. Two months later the company was advised that the C.N.R. had cut the rate to 55 cents per hundredweight and again it agreed to this rate. Two months later it was advised by the shipper that an agreed charge had been made with the C.N.R. which meant a further reduction.

• (3:40 p.m.)

That is not fair competition. We subsidize the Canadian National but the truckers, as I see it, have no protection whatever. They are subject to competition such as this that is neither economic, just nor equitable. There must be within this legislation protection against that type of unjust competition which destroys private enterprise. Are we going to give the railways an open season on the Canadian consumer?

These are some of the problems that face the committee and which will require the most careful consideration. We had hoped that the amendment which we endeavoured to move yesterday would have been accepted. However, Your Honour ruled it out of order. I am impelled to say, although possibly I ought not to, that the way in which Your Honour has discharged the responsibilities placed upon him has added a new stature to the position of Speaker of this House of Commons.

Mr. Speaker: Perhaps I should bring to the attention of the right hon. gentleman the fact

[Mr. Diefenbaker.]

that I cannot claim credit for ruling the amendment out of order yesterday.

Mr. Diefenbaker: No, Mr. Speaker, I do not confine my remarks to that. I think it was a decision in keeping with the traditions of the house. We were trying to have a principle determined. The hon. member for Middlesex West (Mr. Thomas) showed clearly that our purpose was not to defeat the bill but to improve the ultimate law that will be passed. I shall refer later today to the functions of an opposition because last evening in a broadcast the Minister of Finance (Mr. Sharp) gave his considered opinion that an opposition is apparently to be seen and not heard, that the only trouble with the opposition is that it is too strong. If only the government had 175 members they would be able to tell the opposition to take that course which my respect for parliamentary rules forbids me to mention. A parliamentarian with the grace and distinction of the Secretary of State for External Affairs (Mr. Martin) or one with the wide knowledge of the Minister of Transport (Mr. Pickersgill) would never have made such a statement, I am sure, because that kind of statement is not a tribute to the parliamentary system. I do not believe in that doctrine.

I have mentioned this statement so I must quote it now in order that no one will say I have misstated the purport of the views of the Minister of Finance, who apparently was speaking for the government. He said:

> I don't think that the opposition has been helpful to the government in restraining these pressures. Their attitude in the House of Commons has always been to put pressure on the government to make decisions quickly, to disregard what may be proper cautions—

I am living right up to that principle. I am saying, do not rush in with this legislation in its present form. Then Mr. Gordon, who was interviewing the minister, said:

> More than legitimate pressures?

The minister replied:

> I think so. And this wouldn't matter so much in a house in which we had the dominant majority, but we have slightly fewer than half the members, and therefore what happens in parliament today and the attitude of the opposition is far more important than it has ever been. If we were sitting there with 175 members we could ignore the opposition and say—

I know that neither of the two ministers sitting on the front bench, to whom I have referred, would ever advance such a proposition. Then he went on to say—

Mr. Pickersgill: Even with 208 you could not do it.

Mr. Diefenbaker: I hope the hon. gentleman is not approving the statement made by the minister. The Minister of Finance then said:

—well, you know, that's just what you expect.

That is what the Minister of Finance would say to the opposition if he had 175 members—now, you can go to the other place with my compliments. This is clearly not the attitude to be expected from a minister of the crown, although it is indicative of a state of mind to which allusion has been made by members of the opposition on a number of occasions. I will amplify that later.

I hope that the Minister of Transport will not adopt those words in reference to the suggestions I am making for the purpose of rendering this legislation effective in the national interest. In its present form it cannot contribute to the unity of this country. It will simply accelerate the distortions of geographical growth and development, and the absence of competition will bring about concentration of industrial development in the central provinces to an even greater extent than is the case today. I hope the Minister of Transport will not adopt the curious, archaic and dictatorial attitude of the Minister of Finance as indicated in these words:

If we were sitting there with 175 members we could ignore the opposition and say: Well, you know, that's just what you expect.

I hope that the suggestions I have made will bring together the views expressed by many hon. members and I hope the views expressed by hon. members from this side of the house will receive the serious consideration of the government. There must be fairness, and there will be no fairness if discrimination, even if it came into being through the oversight of the Board of Transport Commissioners, is not to be entirely removed, and if an open season is to be declared on the consumers of Canada.

Now, sir, there is one other matter and that is the question of research. We hear a great deal today about the brain drain from Canada to the United States, about the thousands who leave for better opportunities in that country. It is also true that a number of people from the United States come to Canada, particularly in connection with the petroleum industry. However, there is a drain from this nation. What takes a highly trained man with unusual talents and abilities to a country other than his own? Some say it is better pay or material considerations. This can be explained in a general way as greater opportunity.

• (3:50 p.m.)

That is the challenge that faces our country. You cannot strengthen political and national unity by accelerating freight and transportation rates in a way to perpetuate inequity.

We in Canada have fallen behind in the field of efficient, high-speed ground transportation. I see the minister agrees with that generalization; he has indicated his agreement. There are three areas in this country where the need for a positive policy is vital. There are the maritimes, to which I referred on an earlier occasion, the west coast of Canada and, believe it or not, Canada's industrial heartland, that narrow band of economic activity extending from Quebec City to Windsor.

So far as the maritimes are concerned, I have suggested, and I am not going to repeat it, that the railway line today is an anachronism, that what is needed is a faster and more direct connection between the maritimes and the industrial heartland. The present line runs from Montreal through Richmond, Levis, Mont Joli down to Moncton and is 840 miles in length. I suggested that a direct route from Richmond, Quebec, through the top corner of Maine to Woodstock, New Brunswick, and from there utilizing the present main line into Saint John and down to Moncton, would cut one-third off the distance. I am not going to give further details because I dealt with this matter on an earlier occasion, but the press in the maritimes has stated that this is a suggestion that deserves attention.

The west coast presents a different type of problem. I think the house is aware of the bottleneck impeding the convenient and efficient flow of goods to the port facilities of British Columbia. The Rocky Mountains have their scenic beauty but they contribute little to the transportation of goods. The mountains seriously hamper economic expansion of the prairies.

Rail facilities between British Columbia and the rest of Canada are no further advanced than they were 50 years ago. Despite the growth of Canada economically and in population, and despite the many technological achievements on virtually all fronts, we still have two companies with but one single railway track each linking the economic wealth and facilities of British Columbia with other parts of Canada.

I believe we will have to catch the vision of further development, that we will have to build another rail line adjacent to those that exist today or, even though the cost be high, elsewhere, so that there will be additional tracks to carry the increased traffic that is bound to follow. On some future occasion I am going to deal with this matter in detail, but at the moment I am just trying to picture the kind of Canada we may have not many years hence if we catch something of the opportunities that are ours.

The third area that merits searching examination is Canada's industrial centre. It is my opinion, though hon. members may disagree with it, that within the next ten years the area in Canada between Quebec City and Windsor will be a 50-mile wide megalopolis. There will be a tremendous concentration within that area which will embrace 65 per cent of the population of Canada and 84 per cent of its industrial activity.

The railways have fallen far behind. They have simply carried on from year to year making technological changes and improvements to rolling stock but failing to envisage the greatness of Canada's future and the need for action now. I believe we must provide, within the area between Quebec City and Windsor which I have mentioned, the best ground transportation facilities possible. To fail will mean that we cannot take full advantage of the economic potential available. If our ground transportation is expensive, inefficient and disorganized, it will be a burden rather than a blessing to this highly sensitive industrial complex.

What should we do in order to meet the greatness of the transportation challenge? They laughed at Macdonald when he pictured the opening up of the west. Those who opposed said it would mean railroads from wigwam to wigwam. There was a revised version, Mr. Speaker, in 1958. When we placed before the people of Canada the opening of northern Canada, making available to the provinces the exploitation of great resources via our roads to resources program, it was said to be a concept of roads from igloo to igloo.

● (4:00 p.m.)

It is the duty of government to provide certain basic services to facilitate the successful operations of free enterprise. A special research division of the federal Department of Transport is something that I have advocated for some time and I should now like to see it developed. There should be a most exhaustive research program into all forms of ground transportation. We have never done that in Canada except in a haphazard way by one corporation or another. The research should be carried out in co-operation with private industry, the provincial governments and universities. We have badly neglected research in the field of ground transportation. When this legislation has gone through committee, it would be a massive step forward if the minister would set up a research program to give consideration to new vistas of opportunity for all parts of Canada, giving young Canadians something of that pioneering spirit of our forebears when they first devised our transportation system.

In the national interest action along these lines must be taken. If it is not taken, this legislation, when it is finally completed, will be merely an evanescent thing, lacking the impetus and inspiration that come from adoption of new ways and new opportunities.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker—

Mr. Speaker: Order, please. If the minister speaks now he will close the debate.

Mr. Pickersgill: Mr. Speaker, I do not want hon. members to have any heart attacks. I hope, therefore, they will be prepared for a shock when I say that I agree with a great deal of what has been said this afternoon by the Leader of the Opposition (Mr. Diefenbaker).

Mr. Churchill: You are mellowing with the years.

Mr. Pickersgill: But if there are any differences on any of the points they are not on one point that the Leader of the Opposition made when he referred to the gentleman who presides over the house. The Leader of the Opposition having brought an apple for the teacher, I bring one too. I do feel, sir, that all of us in the house will echo the words of the Leader of the Opposition when he says that you have brought to the office you grace a new dignity and a new serenity.

I agree very heartily, and I hope no one will question my sincerity when I say this, with what the Leader of the Opposition said about improving this bill. Also, I think I cannot be expected to plead guilty to the charge made in a jocular vein by the hon. member for Winnipeg South Centre (Mr. Churchill) last night, and not repeated, I am happy to say, by the Leader of the Opposition

in his very fair presentation today, that this is instant legislation. I cannot think that any bill has ever been introduced in this parliament—I know this parliament has not had a very long life since it was only elected last November—which has had more careful preparation than this one. In saying that I pay tribute to the previous government.

In my opening speech I paid tribute to the right hon. gentleman for appointing that royal commission which I think did a great deal to expand our horizons and increase our knowledge of the problems of transportation and which also has pointed to the solution of some, though by no means all, of those problems. I am grateful as well to the previous government. The hon. member for Winnipeg South Centre made a slight error in his remarks. The government's child never actually got born, though last night he said it had been. That was just a slip. But it was ready to be born in 1962.

An hon. Member: It was conceived.

Mr. Pickersgill: Yes, it was conceived. About seven months had passed and then, as the right hon. gentleman has pointed out, there was a miscarriage. We had the benefit, sir, of that bill. We had the benefit of that draft bill which followed, as did the earlier bill I introduced, rather more closely the recommendations of the MacPherson Commission than this one does. I may say that nearly every feature of this bill to which exception has been taken in the debate, with the sole exception of the Canadian Transport Commission which did not appear in that bill or in my previous bill, was contained in the bill which hon. gentlemen opposite were just about ready to bring to the house.

We have built on the foundation that the hon. gentlemen opposite laid, and I hope that once this debate is over there will be no attempt to sap that foundation. It was, sir, in the light of developments, in the light of experience, and in the light of criticisms inside the house, in the parliamentary committee and outside the house, that the bill now before us was produced.

• (4:10 p.m.)

Although we have not accepted all suggestions, because some were not acceptable, to the best of my knowledge we have taken account of and given the most careful consideration to every representation that has come to me, to the officers of my department or to my colleagues from every source in this country, not the least important of which are the hon. members on both sides of this house, as well as from provincial premiers, interested bodies such as chambers of commerce, the Canadian Federation of Agriculture, the wheat pools, the grain trade and shippers of all kinds. In every way we could we have tried to produce a better bill than the one which was offered in the last parliament in 1964. And I believe this is a better bill. As I said when opening the debate on second reading, we do not believe that all wisdom is contained in this bill—

Mr. Hamilton: Would the minister allow me the privilege of asking him a question in the middle of his speech?

Mr. Pickersgill: By all means.

Mr. Hamilton: The hon. gentleman will remember that an unofficial committee composed of representatives of all the parties met with the officials. This is my question: Did the minister receive the representation I made on behalf of the Conservative party that in this bill we should give either to the board or to the government the power to direct the railways to operate rationally? Did he receive the representation I made at that time that if the companies did not run the railways rationally they should not receive a subsidy?

Mr. Pickersgill: That representation was received and I will be glad to have a further discussion of it when we reach the committee stage. I am giving an offhand opinion, but as long as there was no direct financial implication I believe it would be competent for an amendment to be introduced in committee on this very point. I think so, but I hope that in giving an off-the-cuff opinion of this sort I shall not be held to it should the lawyers show that I am wrong.

We did give very careful consideration to that point and we went what I consider to be about three-quarters of the distance in the direction the hon. gentleman is now suggesting. In the terms of the bill before us now, the Canadian Transport Commission will have the authority to recommend things of that sort. But we felt that the time-honoured principle which has been followed up to now with respect to railways, that management of the railway, even of the publicly owned one, should not be undertaken by politicians or by bureaucrats but should be left to management, would be interfered with if some other body was given power to direct the positive

actions of the railways rather than merely inhibit improper, unlawful or undesirable practices which the railways might follow and which parliament might have forbidden.

This may not be a conclusive argument. I think there is plenty of room for debate on this question. I am not dogmatic about it. But I am trying as honestly as I can to tell the hon. gentleman why we did not go all the way along the road he has in mind. We have gone a considerable distance.

Mr. Hamilton: Would the minister allow one more question?

Mr. Pickersgill: Certainly.

Mr. Hamilton: The hon. gentleman has said he proposes to follow the traditional policy of making recommendations only. Surely he is aware that in 1934 parliament passed a statute similar to this one recommending to the railways that they should co-operate and giving many examples. The railways refused to do so. A Senate committee met in 1938 and 1939 and discussed the failure of the railways to act, and strong recommendations were being prepared so as to force the railways to act. Then the war intervened and nothing was done along those lines. Now it appears we are going to repeat that mistake. Is the minister aware of all this?

Mr. Pickersgill: I would not be so immodest as to say I am aware of all this. I am aware in the main of the circumstances to which the hon. member refers and, as I say, I believe this subject could very easily be pursued when we are discussing the relevant clauses in committee. I can assure the hon. gentleman that my mind is not closed to suggestions of the kind he has made or, indeed, to any other suggestions.

I wish to repeat that in hesitating to accept the procedural suggestions of hon. gentlemen opposite we were not seeking to ram anything down anyone's throat. I say this because I do not want a wrong impression to be left. As I said in my original speech, my view is that the principle of this bill is that there should be established a single unified, or integrated, or even coagulated Canadian Transport Commission—call it what you wish—

Mr. Churchill: Hellyerised?

Mr. Pickersgill: —which would take over the functions of the Board of Transport Commissioners, the Air Transport Board and the Canadian Maritime Commission as well as assuming certain other functions not now performed by any federal agency in cases where it is necessary. This is one of the things the government is recommending and it is part of the principle of the bill. This commission is to be the agency through which regulation and control would be exercised over the various forms of transport which are under the jurisdiction of parliament in so far as parliament deems it fitting to impose regulation and control.

I also consider that the rationalization of the railways along the broad lines recommended by the MacPherson Commission is a principle of the bill and that second reading would constitute acceptance of it. But I do not consider that any of the details are being accepted by the house if hon. members give the bill second reading. I entirely agree with the right hon. gentleman that this is a highly complex measure and that in the task before us we should give full weight to the views of every interested party in this country. Such is the importance of this legislation to our national life. I am sure no one will ever accuse me of backtracking or retreating if I accept suggestions made in good faith by hon. gentlemen opposite. I believe this is the proper way to deal with legislation of the kind before us.

After the most mature consideration that it was possible to give if we were ever to have any action, the government has come to the conclusion that there should be one transport commission and that there should be a rationalization of the railways along certain lines. As to the detail, however, I will say only that if there can be improvements, no matter by whom they are put forward, I hope they will be accepted by the committee. I hope too, that when this bill comes back from the committee to this chamber, some time in October, I trust, for third reading in October or November, it will be a better bill than it is now.

Having said that, I think I should go on to deal particularly with the speech made by the Leader of the Opposition because, in a way which is not always his way—and I know he will not think I am being unfair in saying this—he spoke rather succinctly today. He made his points with clarity and definiteness, and his speech is therefore not only an easy one to reply to but also a pleasant one to reply to.

One of the points he made was raised earlier by a number of hon. members. I notice he did not suggest that this bill was

introducing any new kind of discrimination. But he did refer, if I caught his words correctly—if I did not I am sure he will correct me—to "continuing discrimination" against the maritimes, the west, and the northern parts of Quebec. He will understand me if I say "the Atlantic provinces" instead of "the maritimes", because I am sure this is what he meant.

I can assure hon. members that to the best of my information there is no discrimination of any kind in this bill against those areas. But there is, of course, a continuance and even some expansion of—I suppose this is the right word—discrimination in the interest of fairness in favour of those areas as part of the historic policy which not one but successive governments have followed.

Mr. Winkler: May I interrupt the minister to tell him that the fear which exists for us in Ontario, in the light of the rate structure to the west of the province as well as in northern Quebec, is that discrimination will be directed against us? If the railways are to be given the right to open their rate structure the people who are already paying more than their fair share are likely to be saddled with a heavy burden of new increases simply because they find themselves in the only areas which will be open to such discrimination.

• (4:20 p.m.)

Mr. Pickersgill: I would prefer to come to the hon. gentleman's point a little later. I have it very much in mind. It is a point I intend to deal with but first I am very anxious to make this point over again, one which I have made several times. I have even been accused of smuggling it into the speeches of hon. gentlemen opposite, although I think I have always politely asked for permission before making any interjections.

I wish to make it clear that this bill in no way touches the Maritime Freight Rates Act which remains the law of Canada, remains in full force and effect and will remain in full force and effect unless and until the parliament of Canada changes it. It is not affected in any shape or form. That is the first point.

The second point is that the rates which were frozen in 1959 under the Freight Rates Reduction Act, an act which has not been continued but which the railways have followed voluntarily for a number of years, are also to be continued for a two-year period because during that two-year period the government expects to receive the report of the study now being undertaken on transportation generally in the Atlantic provinces and expects to be in a position to deal with that problem within that time. I would also point out that the Atlantic and Eastern Rates structure on export grain, which was never protected before, will be protected under this legislation in the same way as the Crowsnest pass rates are protected in order that there will not be any discrimination against the Atlantic ports in the export of grain. That is something new in this bill.

In so far as the historic rates in western Canada are concerned, the Crowsnest rates are not only not touched in any way but they are guaranteed indefinitely by this legislation.

Mr. Horner (Acadia): Would the minister permit a question on that point? If the Crowsnest pass rates are guaranteed forever and a day, why is there a particular clause in the bill saying that a three-year study will take place?

Mr. Pickersgill: That is a very simple question to answer. Mr. MacPherson said that the Crowsnest rates were costing the railways a considerable sum of money and he was asking the government to pay something over $20 million to the railways because of these losses. We are not willing to agree that there are any losses. We are going to have a three-year study to find out if there are any losses, and if it is found after that study that there are losses then the commission may recommend to the government that something be done about those losses to the railways, but the commission cannot recommend that anything be done about the Crowsnest rates themselves.

This is following precisely the general provisions of Mr. MacPherson's recommendation that if for national reasons we ask the railways to perform a service that does not pay, then the treasury should pay for it. That is one of the basic concepts of the rationalization that is provided for in this bill, but we were not willing to accept the view that the MacPherson recommendation was a fair measure of the loss in this instance. We are not willing to accept the view that there is necessarily any loss. It is the intention to have a scientific study made, and if there is no loss the railways will get nothing.

Mr. Diefenbaker: Would the minister allow another question?

Mr. Pickersgill: Just before I do I wonder whether hon. members would undertake not to restrict my time?

Mr. Diefenbaker: This is just one question on the subject of the Crowsnest pass rates which, as the minister knows, are the charter of the westerners. Would the minister be prepared to have a clause placed in the bill saying that the Crowsnest pass rates shall not be altered?

Mr. Pickersgill: If it not sufficiently clear already and if that would add any additional guarantee I would not hesitate for one minute. Mr. Speaker, before I allow any further questions may I point out that I believe I am allowed to speak for only 40 minutes. If there could be a gentlemen's agreement—

Mr. Diefenbaker: No limitation.

Mr. Knowles: Another one of those things?

Mr. Pickersgill: —or even an order of the house that I could speak until I run down, then I would be delighted.

Mr. Diefenbaker: Mr. Speaker, all of us are tremendously interested in the minister, his works and words, and I am sure this does not need an order of the house. We want to hear him to the last word.

Mr. Knowles: We would like to see the time when he does run down.

Mr. Horner (Acadia): In view of the generous attitude of the house would the minister permit another question?

Mr. Pickersgill: Certainly.

Mr. Horner (Acadia): In connection with the Crowsnest pass rates and the proposed new section 329 which states that the commission shall report to the Governor in Council and the Governor in Council shall take such action as he deems necessary in view of that report, would the minister be willing to change that to provide that the commission shall report to parliament and that parliament may take such action as it deems necessary?

Mr. Pickersgill: Mr. Speaker, I think I was rude enough to interrupt the hon. member for Peace River (Mr. Baldwin) to make the point that if there was any doubt about the meaning of that clause, any suggestion that the Governor in Council could take any action without parliamentary approval, I would be glad to have the clause changed. I do not believe there is anything the Governor in Council could do about the matter without parliament anyway.

[Mr. Pickersgill.]

Mr. Horner (Acadia): We see it happening in other departments.

Mr. Pickersgill: I do not mind the hon. gentleman asking me questions but I wish he would let me make my own answers.

Mr. Horner (Acadia): I had the same trouble when I was speaking and you were asking me questions.

Mr. Pickersgill: Mr. Speaker, I think this is important enough that I should make it clear that if there is any doubt at all about the real meaning of that clause I certainly want to remove it. I want to say categorically that there is no intention and no desire to leave any doubt in anyone's mind that the Crowsnest pass rates remain a part of the continuing policy of the government and of parliament, consecrated in legislation, and the only way in which the commission can deal with this matter is to find out scientifically, notwithstanding the hon. member for Crowsnest, by cost analysis, done not by the railways but done for the government what, if any, losses there are, and all that can be done then is for the government to decide, if it wishes to decide, to ask parliament to do something about those losses. That is all.

Mr. Kindt: Would the minister give a very simple answer? I say that the bill is not clear as it now stands. Is he willing to make it clear before we pass second reading?

Mr. Pickersgill: Well, I think if I could just say yes to that about four times—before second reading it is impossible, but before third reading, yes, yes, yes, yes.

Some hon. Members: Hear, hear.

Mr. Baldwin: That could become a habit.

Mr. Coates: May I ask another question about the Crowsnest pass rates?

Mr. Pickersgill: I think in fairness to the Leader of the Opposition I should be allowed to reply first to the points he made, and if I do not make my answers clear then I would be very glad to answer any other questions that are relevant.

Mr. Sherman: By four words, all yes.

• (4:30 p.m.)

Mr. Pickersgill: Well, I am a yes-man; everybody knows that. The next point made by the Leader of the Opposition is a crucial one, a very crucial one indeed. He said that if there was no amendment to this bill the

railways would be all-powerful in the setting of rates. This is the first time I have to take issue seriously with the Leader of the Opposition, but I have to take very serious issue because nothing is clearer than that the railways do not have the power to set rates except below a maximum in every case where someone can show he is a captive shipper. Any person, such as the shippers of potash who obviously cannot ship by truck or by any other means, obviously is a captive shipper. Every captive shipper is protected under this bill by a maximum rate. The railways will have no freedom to set a rate above this maximum. They will have freedom to give a lower rate than the maximum. Indeed, most large captive shippers today, by having agreed charges with the railways, do have rates which in fact I believe are somewhat lower and in some cases quite substantially lower than the maximum rate.

I do expect that in the committee we will have very serious debate about the maximum rate formula. It is a very large question and perhaps is a little more important to the prairies than to other parts of Canada, but not much. It is very important to many shippers in northern Ontario and in northern Quebec. As I say, when we come to examine this thing carefully I think we will find that most of those shippers will have protected themselves already by agreed charges, because they are very big shippers who have a considerable bargaining power of their own.

The only area in which the railways will be free under this legislation to set their rates is where there is effective competition. In our opinion, and in the opinion of Mr. MacPherson and also in the opinion of the previous government as reflected in the legislation they were about to introduce, effective competition will itself provide protection because nobody is going to be such a fool as to pay a higher rate to the railways than he can get from trucks, ships or any other effective competitor. Surely that is just ordinary common sense.

Mr. Horner (Acadia): Mr. Speaker, would the minister permit another question on this particular part of his remarks? Would the maximum rate apply just as effectively on goods shipped under class rates?

Mr. Pickersgill: The maximum rate will apply to anyone who has no effective alternate way of shipping.

Mr. Horner (Acadia): If he is shipping goods under class rates I understand that the railways can raise the rates as high as they like.

Mr. Pickersgill: They cannot raise any rates higher than the maximum formula in the bill, if the shippers are captive. If they are not, they can ship in some other way.

I really think, Mr. Speaker, if we are going to get into a debate on the detail of the bill—the kind of debate which should properly take place in committee—the tolerance of the house will be exausted before I am. I should not like that unfortunate situation to arise.

Mr. Horner (Acadia): Mr. Speaker, I should like to ask one final question. How would the maximum rate apply on less than carload lots? It will be a lot higher on less than carload lots even if the maximum formula is used.

Mr. Pickersgill: Not being an expert on these matters I would not attempt to give an answer to that. I am sure, however, that the hon. gentleman will be able to obtain an answer from someone far more competent than I ever will be in this field when we get into the consideration of this matter by the committee. What I am seeking to do here is to allay fears based on what I believe to have been genuine misunderstandings about the bill. The fact is that there will be, after this bill is passed, three or four different kinds of freight rates. There will be rates which are protected by the maximum rate formula, because the shipper can make no bargain of his own with the railways and therefore has the protection of the law. There will be agreed charges which are not in any way changed from the law as it now stands. There will be statutory rates such as the Crowsnest pass rates, the maritime freight rates and certain others. There will be competitive rates which will be based on the railways' judgment in respect of how they can get the business.

There is one very important thing I should like to say about these competitive rates, and this also deals with another point made by the right hon. gentleman. I refer to the question of the competition with trucks. In this bill it is provided that the railways must not carry goods at unremunerative rates. In other words, they must charge what it costs the railway to carry the goods. This is put in precisely because we do recognize that the railways are large and powerful and that many of their competitors will not have the same economic bargaining power. Therefore

they are not allowed to use loss leaders to put people out of business.

Under the present law a competitor has no effective appeal. In this bill a trucker, believing the railway is seeking to put him out of business by quoting unremunerative rates, may appeal to the commission and have the matter adjudicated. So there will be a protection which does not exist at the present time. I think this is very important, because it would be a very bad thing indeed to permit a railway or any other powerful body to crush competition by this kind of practice and then find themselves in a position to raise rates again. This is a valuable protection.

The railways do not have any similar protection against the truckers. At the present time we do not think that is necessary because I do not think there are any trucking firms in Canada large and powerful enough to put the railways out of business. If they started charging unremunerative rates for any length of time, I imagine the people who would be put out of business would be the truckers themselves. What we are endeavouring to do is to make the bargaining powers relatively even in this connection.

A question which does arise and seems to bother a good many people has to do with the suggestion by me, by the Prime Minister (Mr. Pearson) and by others that this legislation will permit the railways to earn more money than they are earning at the present time. Everybody seems to assume that the only way they can do that is by raising rates. I do not have any doubt that they will raise some rates if they can raise their competitive rates and still obtain the business, and I do not see why they should not because everybody else is allowed to do it. I do not see why they should not be allowed to go out, compete for business, take the burden off the taxpayers and let the users pay so long as there is an alternative for the shipper. I do not think this will happen especially in western Canada; I do not think it will happen especially in central Canada. I think it will happen all over the country.

I think the main virtue of this legislation is that the railways will be able to make bargains right away instead of having to file tariffs, wait 30 days, and be shackled by many things which make it impossible for them to run their railways in a business-like way. I would guess that much of the additional revenue they will get may come from cutting rates, not from raising them at all but cutting them enough to get some of the business back.

• (4:40 p.m.)

We all know that the share of the freight that is being carried by the railways today compared with what it was before 1950 is lower. It is in fact very much smaller. This measure will give the railways a chance to compete. I think all those in the house who believe that competition and what we usually call freedom of enterprise are a good thing for the progress of the country should welcome this legislation. We are doing our best to see that there is complete protection for those who are not protected by competition. Where there is a monopoly situation the bill gives protection. Where there is a competitive situation we think the competition should give the protection. That is the attitude adopted to all other kinds of businesses and it does not seem an unreasonable one to take with respect to freight rates.

With respect to branch line abandonment the right hon. gentleman made an appeal to me to do something that I cannot do. He made an appeal to me to say here and now that the railways would withdraw their applications for abandonment right away, today. I assured the hon. member for Qu'Appelle the other day that the presidents of the railways had authorized me to tell the house that they would withdraw all these applications on the day on which this bill was passed by parliament. I think that was a reasonable position for them to take, because if the bill did not pass they would be just prejudging their position under the present law. Surely in fairness to them, until they know what parliament is going to do they should not be expected to withdraw these applications. But I do intend, as I told hon. members, early next week, I hope, or at any rate by the middle of the week to be able to send to every member of parliament the map showing the branch lines on the prairies, in fact, the whole network of lines, that the government intends, if this legislation passes, to guarantee will continue in operation until January 1, 1975. This map will show the network on which no applications will be considered for abandonment once this law is passed.

I should like to have given this map to hon. members today but I think I explained at the beginning of the debate, and this still applies, that there are one or two details I have to iron out with the officials and my colleagues before it is in final form. But it will be, I

confidently hope, published next week and I am very anxious that it be published. I believe that when it is published nearly all the fears about the abandonment of branch lines will disappear. There will be certain lines that will still be candidates for abandonment, but even the candidates for abandonment will not automatically be abandoned. There will still have to be applications which will still have to be considered by the commission, and the protection of the law will still be there in respect of those lines.

The hon. member for Qu'Appelle was very helpful and constructive in this matter, as he has been in general with respect to this legislation. While the hon. gentleman did not agree with all the details of the branch line proposal, he felt that in general it will result in a very marked improvement in this connection. Now I come to potash. I am sorry the Leader of the Opposition—

Mr. Deputy Speaker: Order. I must advise the minister that the time allotted to him has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Does the house give unanimous consent to the minister to continue?

Some hon. Members: Agreed.

Mr. Pickersgill: I come now to potash. In the main I have dealt with this matter before, but I thought of a feeble joke and I am terribly sorry that the Leader of the Opposition is not here. I was going to say, if he had been here, that there is a lot more alkali in Saskatchewan than there is in Manitoba and that is probably why we from Manitoba have sunnier dispositions than they have in Saskatchewan.

Some hon. Members: Oh, oh.

Mr. Pickersgill: However, since the Leader of the Opposition is not here I will not say it.

Mr. Fairweather: Mr. Speaker, may I ask the minister a question?

Mr. Pickersgill: Yes.

Mr. Fairweather: We have just given the minister unanimous consent to carry on. Must we put up with his jokes?

Some hon. Members: Oh, oh.

Mr. Pickersgill: It will be singular, Mr. Speaker, in more senses of the word "singular" than one. Potash is protected because up to the present time the companies mining potash are all captive shippers. Therefore they will either have agreed rates or the protection of the maximum rate. I feel reasonably confident that practically all of them secured agreed rates from the railways before they ever started mining operations.

Now I come to the question of research. I want to thank the right hon. gentleman for what he said about this subject. He was very helpful about it when my estimates were before the committee of supply earlier this year. He has reiterated what he had to say about the subject, and it is something with which I thoroughly agree. I think it is frightfully important that we carry out adequate research in a field which from a material standpoint is as important as any to the development of our whole country. I agree with the right hon. gentleman about the importance of research in the Atlantic region. We are doing some right now of a very fundamental character. This was recommended by the MacPherson Commission and I hope it will be very fruitful in its results.

I am sure the premier of British Columbia will not like what the right hon. gentleman said about there having been no improvement in the railway structure in British Columbia for 50 years, because the great pride of the premier is his own railway, the Pacific Great Eastern. I also agree that the port of Vancouver is the main funnel through which about one-third of the exports and imports of this whole country now come or go. It is our second largest port. The facilities there are not adequate. We are trying to improve them as fast as we can, and we cannot do it too fast. I think all of us worry, after some of the recent experiences we have had, about the problem to which the right hon. gentleman referred, and I believe that the research now being carried out will have to be augmented by still further research.

I am also most interested in what the right hon. gentleman said about the megalopolis extending from Quebec to Windsor and the importance of the new problems of transportation in that area. I also want to put in a word, since the right hon. gentleman did not do it, for the prairies. It is of the utmost importance that we modernize—and here I am echoing the hon. member for Qu'Appelle—the grain handling facilities on the prairies because, as he so rightly pointed out,

we have every reason to expect that the much higher volumes of grain produced in the last few years will, although there may be variations from one year to another, continue indefinitely into the future and that there will be a market in the world for what is produced.

I think that covers all the points that were made by the right hon. gentleman. I have trespassed longer than my 40 minutes on the good nature of the house. If there are no additional questions that any hon. member wishes to put to me for the elucidation of this matter before second reading, I should like to conclude in one or two sentences.

Mr. Churchill: Mr. Speaker, in view of the fact that the bill is on the point of being given second reading and the minister has concluded his remarks, I wonder whether I might ask him a question, recognizing that he is an experienced parliamentarian. We have now spent the equivalent of three and a half days discussing one of the largest bills to come before us. Is the minister in agreement with me that this is the amount of time the house should spend on a matter of this importance and that there was not a filibuster of the legislation? I wondered what the minister's comment would be on that in view of his experience in this chamber.

• (4:50 p.m.)

Mr. Pickersgill: I think my silence on this subject up till now has surely been my best comment. I have endeavoured in every way possible during the course of this debate, by taking advantage of the new rules, to make sure that every hon. member who had something which he considered would be a worth-while contribution to this debate would be given the chance to do so. I recognize fully the importance of the subject and certainly I have no complaints whatsoever.

Mr. Coates: Mr. Speaker, I have a short question to ask the minister with regard to the freeze on freight rates in the Atlantic area for the next two years. Could the minister give us some indication and some assurance that before any final action is taken on the recommendations flowing from the study they will be placed before the house so that members may be able to express their views on them? I think the minister appreciates the fact that at the present time the Atlantic provinces are attracting a great deal of industry and I am sure he is anxious, as I am, to see this continue. However, I am afraid that a two-year freeze is not sufficient. This will not help to convince industrialists that they should establish their companies in these provinces, because freight rates are a very important aspect in their decision to do so. It is from this point of view that I ask the minister my question.

Mr. Pickersgill: I can assure the hon. gentleman, without even knowing what will be reported by the consultants who are now doing the study, that it is my intention to make the study public as soon as it is received. These studies are similar to the report of a royal commission, although the consultants do not carry out public hearings in the same kind of way. However, I do not regard these consultants as advisers merely to the government. I indicated that very clearly in the letters that I wrote to the premiers of the Atlantic provinces before the study was undertaken. I intend to make this study public and I anticipate that legislation is likely to be based upon it. In any case, if I am in a position to do it—and none of us knows what his fate may be from day to day in this house—and if any group of hon. members would seriously like to see the study itself referred to some parliamentary committee for further examination, I will be very glad to facilitate that.

There is nothing I want more than to make sure that we do the right thing in respect of this problem which was not dealt with by the MacPherson Commission because they did not have the time but which they said was an urgent problem to be dealt with and which I believe to be one of our biggest national problems. I would like to think that I will contribute something to its solution.

Mr. Coates: Mr. Speaker, I wish to make one further comment in this regard. The minister, in his very capable way, appears to be giving us an assurance but at the same time he did not come directly to the point I raised and in which I am most interested, namely, an assurance from him that the house will have the final say on these recommendations. I think that if we had this assurance we would feel much better about the legislation that is now before us than is the case at the present time.

Mr. Pickersgill: If I understand the parliamentary process correctly, there is very little the Governor in Council can do about a matter of this kind except to bring in some kind of legislation or estimates before the house. Happily, in this country the government cannot appropriate money, and if it

tries to do so without the approval of parliament there is another institution in the country where the ministers who do that kind of thing are apt to end up.

I am not trying to equivocate in any way. I am merely trying not to arrogate to myself, as one minister, authority which I do not have and to show proper respect (a) for my colleagues in cabinet and (b) for parliament itself. However, I can assure the hon. gentleman that, apart from purely administrative matters on which the law is now quite clear and where improvements might be made quickly when the study is received, anything of any substance or importance which would require any kind of parliamentary action will be brought before parliament as soon as the government is able to make up its mind on what is the proper thing to recommend.

Mr. Coates: Mr. Speaker, I would like to make it clear to the minister that I do not want to be put in the position of adopting legislation which will place the super board after the two years are up in a position of being able to implement the recommendations without prior acceptance by parliament.

Mr. Pickersgill: The commission will not be another parliament. It will have no power that parliament has not given to it by this bill. If, on examination of the bill in committee or by questioning the expert, the hon. gentleman can find anything which the commission could do that would go behind the back of parliament, I will undertake to do my best to get the lawyers to draft a clause so as to make sure it cannot be done.

Mr. Winkler: I wish to put a question to the minister following the one I put to him earlier. Has the government considered at any time the possibility of implementing some plan, particularly in the province of Ontario, in view of the fears which I have expressed earlier in regard to rate structures, whereby areas outside the "golden horseshoe" or southern industrial area would have a greater inducement to expand and to attract industry through a rate structure based on a mileage formula? Has the government considered such a plan rather than continuing the discriminatory method they have used in applying the designated area program? I believe the minister would be doing a great service to that province by considering such a plan, if he has not already done so, in the terms of this particular bill.

Mr. Pickersgill: I am not sure I grasped completely what the hon. gentleman is trying to say, but I can assure him that I shall be only too happy to contribute to the well-being of my native province of Ontario.

Mr. Kindt: Mr. Speaker, there is a feeling, and I have received telephone calls substantiating it, that if we are not careful we may be buying a pig in the poke on second reading of this bill. I am willing to take at face value the assurances which the minister has given us. I am glad he gave them because some of us were not very happy with the national news broadcast last night when Mr. Cameron said we were filibustering this bill. The minister himself has stated that this is one of the most far reaching bills that has ever come before parliament and that it requires a long study. I am of the opinion that we have not even scratched the surface in the time that has been given us to consider it. The three days we have spent in debate on this bill are little or nothing compared with the time which will be needed before this bill is finally adopted.

Mr. Pickersgill: Mr. Speaker, the hon. gentleman's intervention seemed to be a question as to whether more time will be needed on this bill. Last night I asked the hon. member for Winnipeg South Centre (Mr. Churchill) if he would quote the concluding sentence of a paragraph of which he flattered me by quoting the first sentence. In the concluding sentence I said something like this, that the bill would require long and laborious examination at the committee stage. This remains my opinion, fortified by the very penetrating analysis of the hon. gentleman who has an expertise in this matter most of us in the house have not got and that all of us appreciate.

• (5:00 p.m.)

Mr. Danforth: May I ask the minister a question? I know the minister is anxious to get this bill before a committee as soon as possible. In view of the great complexity of the bill, have I the assurance of the minister that there will be ample copies available right away to cope with the tremendous demand that I foresee for this bill from interested parties?

Mr. Pickersgill: I will take every step that it is possible for a minister to take in respect of the responsibility of one of his colleagues to see that that happens and that it is available in both languages.

Mr. Nowlan: I have a supplementary question. Can the minister give the same four yeses on the maritime freight rates as he is prepared to give on the Crowsnest pass rates?

Mr. Pickersgill: I do not believe I would give it in exactly the same way, and I do not believe the hon. gentleman would want me to if he would refresh his memory by taking another look at the report of the MacPherson Commission. I think the way I would like to give the undertaking is that I will never be a willing party to any alteration in the Maritime Freight Rates Act that the people of the Atlantic region generally do not consider will give them greater benefits than that act gives. In view of the changes in transportation, in view of the development of highways and trucking and all the other forms of transportation, it might be concluded by everyone there, after a study has been done and after the commission has examined the whole problem, that the amount of money that parliament appropriates annually under the Maritime Freight Rates Act at the present time, to help overcome the transportation disability of the region, would be better used in a slightly different form but without reducing the quantity or value of the aid. I would never under any circumstances be a member of any government that ever did that.

I had hoped it might have been possible to include in this bill one provision or section that I have not found it possible to put into the bill. Hon. members from western Canada, hon. members who live anywhere along the national transcontinental railway or the Intercolonial Railway or the Prince Edward Island railway or the Newfoundland railway, know that the main line of the Canadian Pacific Railway under the original agreement made in 1880 and covered by the statute of 1881 is exempt from local taxation, and that it is not competent for the municipalities to tax the property of the federal crown, and that railways owned by the crown cannot be taxed. It has been the custom in the case of government owned railways, as distinguished from other parts of the Canadian National system, for the Canadian National to make some grants in lieu of taxes. It will be the intention of the government when this legislation has been passed, as a contribution toward the process of rationalization and equal treatment for all parts of Canada, to instruct the Canadian National Railways to make payments to these municipalities as though they were taxable. We have the power to do that without express legislation.

In so far as the Canadian Pacific Railway is concerned, I should like to read a document which I think all hon. members, and especially those who live in the southern part of the prairies, will regard as an historic document. It is headed, "Canadian Pacific Railway Company, Montreal, August 29, 1966." I quote:

Dear Mr. Pickersgill:

You will recall conversations we have held over some months relative to whether as a contribution to the rationalization of Canadian transportation legislation, Canadian Pacific would be prepared voluntarily to forgo perpetual exemption from municipal taxation provided in clause 16 of its contract of 21st October, 1880, which is the Schedule to the Canadian Pacific Railway Act, S.C. (1881) Chap. 1.

This exemption from municipal taxation applies to the main line of Canadian Pacific outside of the boundaries of the original "Postage Stamp" province of Manitoba, across Saskatchewan and Alberta. This exemption has contractual, statutory and constitutional validity.

One of the points that you raised in our discussions was that the exemption imposed a burden upon the affected municipalities which is not borne by other municipalities on the Canadian Pacific system. You also raised the point that a perpetual provision such as that referred to did not take into account changes and varying circumstances which had occurred in the many years since the contract was executed by Canadian Pacific and the government of Canada.

I have discussed the matter with the directors of the company and they have authorized me to say that, under the arrangement hereinafter mentioned, the company is prepared to forgo voluntarily perpetual exemption from taxation by the local authorities on our main line in the prairie provinces in three equal stages: one-third for the year commencing January 1 after legislation is enacted modernizing and rationalization existing legislation and taking into account, among other things, the effective changed conditions on freight rates otherwise fixed; a further one-third in the succeeding year; the balance in the third year from the commencement of the period as stated.

The Canadian Pacific proposes that the government of Canada ascertain from the municipalities involved the municipal taxes that would have been payable, subject to statutory procedures as to assessment appeals, had the exemption not been in effect. When this amount has been determined, Canadian Pacific would make a grant of an equal amount to Her Majesty the Queen in the right of Canada for distribution to the municipalities involved in such manner as the government of Canada might from time to time deem appropriate.

At any time after the expiry of the period indicated above, the Canadian Pacific would have no objection to action being taken to amend the constitution and the legislation to terminate the perpetual exemption from local taxation referred to.

You are free to make the position of Canadian Pacific public whenever it seems to you desirable to do so in the public interest.

Yours very truly,

Ian D. Sinclair.

I should like, if I have the permission of the house, to table this communication in English and in French and ask that it be appended to today's *Hansard*.

Mr. Deputy Speaker: Order. Does the minister have consent to have this document made an appendix to *Hansard*?

Some hon. Members: Agreed.

Mr. Pickersgill: If I could just say a word in explanation of the way in which this has to be done, I may say it appears from the best legal advice the government is able to attain that this perpetual exemption from taxation enjoyed by Canadian Pacific on its main line is part of the constitution of Canada and also part of the constitutions of Manitoba, Saskatchewan and Alberta. It is not competent for this parliament by a simple act of parliament, under the constitution as it now stands, to make this change. An amendment would be required also to the constitutions of those provinces. For that reason it is not possible for this parliament to make the Canadian Pacific main line subject to taxation, nor is it possible for the provincial legislatures to do so.

This is just one more good reason why we should tidy up our constitution so we can do these things ourselves in the proper way. In effect what Canadian Pacific is doing is to say that over the three years after this legislation comes into force they will give up the perpetual immunity they were given under very different circumstances in the 1880's. I am sure that all members, whatever their views may be about some of the other things which the Canadian Pacific has done, will agree with me that this particular act is an act of good corporate citizenship.

• (5:10 p.m.)

Now, sir, I just want to conclude in a few words by thanking hon. members for listening to me for so long and to express the hope that in committee we will give this legislation the most searching examination that is required in the national interest but that we will seek to do that without undue delay having regard also to the importance, through this legislation, of putting the railways in a position to conduct their operations in a more businesslike way to make them more competitive with other forms of transport and therefore better able to rely upon their own resources in dealing with the public, their employees and everyone else. In doing so, it would be my hope, Mr. Speaker, that among other things this legislation would make collective bargaining between the railways and their employees more meaningful than it has been in recent years.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, before he introduced this bill, last Tuesday, the minister stated in the house that the government or himself had written to the ten provincial governments and that replies had been received.

Now, here is my question. In those replies, has any provincial government expressed concern or reservations over the establishment of a Canadian transport commission, and what was Quebec's reaction?

[*English*]

Mr. Pickersgill: Mr. Speaker, I will be very glad to table tomorrow all the correspondence. I would do it today only I have not got it with me.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Horner (Acadia): On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on transport and communications.

SUPPLY

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

DEPARTMENT OF FINANCE

1. Departmental Administration including administration of the Guaranteed Loans Acts and the Inspector General of Banks' Office, and payments to provinces and grants as detailed in the Estimates, $4,332,900.

Mr. Knowles: Mr. Chairman, before the minister begins and in order that his speech will not be interrupted, in fact, in order that this debate will not necessarily be interrupted, I wonder whether we could have one or two understandings?

In the first place, I think the committee would not want to go to private members' hour in the midst of this important discussion. In the second place, I wonder whether we could have an understanding that we would take an hour off for supper?

Some hon. Members: Agreed.

Mr. Pickersgill: Let us fix the time now.

Mr. Sharp: Mr. Chairman, may I just say a word on this. My statement is of some length. I think I shall probably complete it by six o'clock and it would seem to me that it might be appropriate then to adjourn for dinner.

Mr. Knowles: Can it be understood that at whatever point the minister concludes his speech we will take an hour off by agreement?

The Chairman: Does the committee now agree that when the Minister of Finance has completed his speech the committee will adjourn for one hour?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Chairman, the fact that the committee and the government regard the threat of inflation as an important and urgent matter is evidence that Canada will not drift into a period of continually rising prices and costs. As Minister of Finance with a special responsibility for the economic position of this country I welcome the opportunity afforded by this debate to place the facts of the situation before hon. members of all parties and before the public.

I might add, Mr. Chairman, that it is a remarkable but perhaps not surprising coincidence that today President Johnson has announced new steps that the United States is taking to curb inflationary pressures, some of these, I might add, of a character that we took some six months ago. I believe this indicates that throughout North America and throughout the world this is a matter that does demand the attention of legislators.

Here in Canada we have had a long and strong economic expansion in the past five and a half years. It has carried us from a condition of serious and persistent unemployment to one of widespread prosperity and virtually full employment. There is still too much unemployment in certain areas and among those who are poorly educated and unskilled, but this arises from reasons other than a shortage of opportunities in Canada taken as a whole. The total expenditures of money by consumers, by business, by government and by those who want our exports are now more than adequate to support a healthy level of economic growth.

Our main economic problems are now twofold: First, the longer term problems of educating and adapting our growing labour force and improving our capital resources to meet the opportunities presented in our modern world and, second, the shorter term problem

of preventing excessive total expenditures and excessive increases in prices and in costs of production. It is this second range of current problems which concerns the committee today and about which I will speak.

Canada's general record in regard to prices and costs during the past 30 years has been good. Our war finance and wartime price and wage control were effective and reasonably fair. During the period of decontrol and readjustment to peacetime conditions we suffered some inflation, as everyone else did. Much of it was inevitable as we readjusted to price levels in the United States and elsewhere.

During the Korean war in 1950 and 1951 prices rose too rapidly in Canada as well as elsewhere. I think now that we all should have done more to check them. Since that time, from 1952 until about a year ago, our prices were reasonably steady, rising over the period by an average of 1.4 per cent per year in the case of consumer prices, which was less than that of almost all other countries although slightly more than the United States.

• (5:20 p.m.)

This period covered the boom of the mid-fifties, the period of relatively high unemployment of the late fifties and early sixties and most of the recent long period of expansion. Over this period average hourly earnings of Canadian workers increased by an average of about 4 per cent per year, as shown by our statistics, and average personal incomes per capita for all Canadians by 4 per cent.

By the middle of last year it was evident that costs and prices in the field of construction were rising too rapidly, and in the summer of 1965 the government began to cut back its own construction programs to counteract this and urged others to do the same. We have kept this policy of restraint since that time, though it has not achieved as much success as I would like to have seen.

Speaking generally, Canadians have been very impatient to get on with very many things both directly and through their governments and now we are paying the price of trying to do too much all at once.

During the past 12 months the increases in costs and prices have been spreading in Canada as elsewhere. The chief cause is the continued rapid growth of total expenditures and a very high level of demand, which make it possible for labour and business to demand more and get it. There are Canadians in

almost all walks of life who seem to have reached the conclusion that now is the time to get more while the getting is good. As a result we have had accelerating increases in prices and costs, accompanied by urgent and pressing demands by special groups for more income, using whatever means are open to them.

We have now reached a position that is unstable. The present trends just cannot continue for long into the future. We cannot all get what we want and do what we want, and if everyone tries there is going to be an excessive rise in prices and in costs because right now the country just could not, no matter how hard it tries, produce enough to meet all the demands. If this kind of boom goes on, many will suffer as a result of higher prices and from the inevitable upset that will follow. All Canadians will suffer if a continued boom should lead to a bust. We must moderate our pace so that we can continue to grow in a steady way, with a continually increasing standard of living and with the economic and social improvements that we can afford year by year. Such moderation does not require that we cease to make progress toward social justice nor that those who have lacked opportunities must be left without help.

I should like to make this point because sometimes I think it is misunderstood. We in this country are the most fortunate people in the world. We have the means to make progress but we have got to pace our progress so that we do not exceed our means.

Let us bear in mind some simple facts. We are now producing about all we can in Canada this year. We have excellent market opportunities at home and in other countries. We have again been lucky in getting huge grain crops at a time when grains are in great demand. Our labour force is growing at a rate of a bit over 3 per cent a year and is becoming better educated and trained. Our productivity—the volume of goods and services per worker that we can produce—is growing somewhere between 2 and 3 per cent a year over all. Canadians can expect an increasing standard of living, on the average, which increases at a rate that bears some relationship to their average increase in productivity, say about 3 per cent a year over a long period.

By international standards this is a reasonable rate of increase. There are many countries that envy us very greatly. Those are countries where standards of living are not rising at all because population is rising even more rapidly than the means of production. In Canada this rate of increase in productivity involves the doubling of the standard of living of the average Canadian within a generation. We have no reason to be anything but thankful to live in a country such as Canada.

If, however, some succeed by the strength of their position in getting substantially more than this increase in real income from year to year, others must get less than this increase. This applies to the owners of companies that sell goods to earn profits as well as those who sell their labour to earn salaries and wages.

We must also recognize that the average Canadian, although he is a fortunate citizen of the world and can look forward to a steadily rising standard of living, cannot have the same standard of living as the average United States citizen—at least not for some years. We just do not produce as much—we have not the same productivity in our industry—and we are not as rich in capital and technical capacity.

Our prices and wages are the result of bargaining and of market forces and of the efforts of individuals, businesses and groups to better their position. Prices are not held under control by governments either federal or provincial, apart from minor exceptions such as public utilities which enjoy monopoly positions. There are laws to prevent businesses from combining to increase or maintain their prices and profits. Such laws do not apply to workers, however, who are not only permitted but encouraged to organize and bargain collectively. This is one of the cornerstones of modern industrial democracy. On the whole this system has worked and has enabled great progress to be made in improving the incomes and status of workers. Parliament is engaged this session in setting up a framework for the extension to its own civil servants of this power to organize and bargain collectively, so it is clear we think well of it in principle.

Our experience this year, however, shows that these processes, whether they are the processes of making profits or the processes of bargaining for wages or salaries, by which Canadians increase their incomes have dangers as well as virtues. They can bring about excessive demands and excessive increases. They can promote inflation at the high levels of employment and low levels of unemployment which we have now achieved. It is clear

that if we are to succeed in maintaining high employment with price stability we must improve the working of our economy. We do not want to be forced to aim at a lower level of employment in order to avoid inflation. To me, this is the kind of cure for inflation that could be almost as bad as the disease and is to be avoided if at all possible. But to maintain high levels of employment without inflation is not a task for the government alone. It is only possible if business and workers will accept it as a serious objective and help to make it possible.

I think we would all agree that we should not let our economy persist in this rising and excessive rate of increase in prices and costs, including wages. But it is easier to reach that judgment than to implement it. What practical means can we use to check this rise and to get back on to a stable path of economic growth?

First we recognize that most of us do not want, and in any event we cannot impose, federal government control over prices and wages generally. This is only within parliament's powers during a national emergency such as war. In practice, price and wage controls would be unworkable in a diverse economy such as ours which is so actively engaged in foreign trade and based essentially on a free market system for business and collective bargaining for labour. I say this as one of those actively involved in the successful wartime price and wage controls. Moreover, we as politicians really do not want the responsibility for deciding on everyone's prices and wages. We would be in endless trouble. Our recent experience in trying to deal with railway wages is evidence enough on that point.

Second, we must consider the possibilities of an "incomes policy" such as some overseas countries have had, or "guideposts" for wage and price increases such as the United States has had. An incomes policy implies not a government control but the expression of government views to focus public opinion on changes in particular prices and particular wage disputes. It involves persuasion and if necessary criticism, with voluntary and systematic adherence to certain policies and standards. It would require, in Canada, cooperation between federal and provincial authorities and a willingness in the business world, as well as in unions and the ranks of labour, to follow voluntarily a central lead that enjoys a wide consensus of agreement and respect. While all these conditions do not now prevail, I hope that in time we can meet these requirements, achieve this consensus and develop this kind of voluntary policy. But we cannot get an incomes policy now by merely voting for it here or advocating it. We have to work it out not only here in parliament, where we must develop attitudes and laws that will earn respect, but in the labour movement and the business world where private interests and processes of bargaining must be reconciled with a regard for the public interest.

[Mr. Sharp.]

As the house is aware, the government asked the Economic Council, which is representative of all the principal economic groups, to study the interrelationship between prices, costs, productivity and incomes, and to review policies and experiences of other countries in the world. I have just heard from the Economic Council that this report is expected late next month.When it is received the government plans to refer it to a parliamentary committee along with other matters to be raised in accordance with the notice on the order paper today. I should add that it has taken the Economic Council quite some time to study and discuss this problem, which is perhaps the best evidence of its inherent complexity and the need for reaching a consensus before we can proceed.

• (5:30 p.m.)

As for guideposts, certain elementary considerations are self-evident. To achieve full stability of our consumer price level would require that our average increases in incomes per capita in Canada would have to be limited to about our over-all increase in productivity. To maintain the degree of price stability we have experienced on the average over the past ten years, it is evident from our productivity performance that we could not have increases in average incomes of more than four or five per cent a year. These facts of economic life, and they are facts, are some guide in themselves. Yet the typical increases taking place in money incomes in recent months have been in excess of this. Many current demands are much more. Many employers will have to grant large increases in the next few months simply to keep their men. We shall have to do so in certain categories of the public service. But somehow we must get back as soon as we can to more reasonable increases—average figures that do not exceed what I have mentioned. Some can, of course, be larger, as long as the average remains within reason.

What is needed, I feel, is a widespread understanding of the situation by the public, by business and by individual workers. Management, on its part, must make a special endeavour to keep prices down in order to dampen down and help bring to an end this spiral of price and wage increases. It would be helpful if some industries were to give the public the advantage of increasing productivity by reducing prices. In my view the advantages of increased productivity should not accrue solely to the owners and the employees but to the consumers as well.

Some hon. Members: Hear, hear.

Mr. Sharp: Success in this endeavour will no doubt require hard bargaining, a squeeze on profits, and some risks of strikes, strikes which may cause some harm both to private interest and the public interest. Employees who are being asked to restrain their wage demands in the general interest as well as their own long-term interest, have a right to expect that those whose remuneration and gains are derived from sources other than wages are making their due contribution to economic stability.

Labour has its responsibilities as well. Present wage demands reflect, as we know, the views and desires of the workers, not just those of trade union leaders. The workers themselves must recognize what is possible in total, otherwise they will hurt one another. In the national interest, demands should return to more realistic levels—levels which do not force up the prices which other workers must pay.

Only by more than normal resistance to excessive price increases and wage demands can we get back to rates of increase in prices, wages and profits which will permit continued economic growth at a high level of employment with reasonable stability. Here an alert and informed public opinion can play an important role, as well as those directly involved.

Some restraint upon increases in prices and costs in Canada will arise from competition between Canadian producers and producers in the United States and other countries. But prices and costs are increasing in overseas countries and, to a lesser degree, in the United States, and their governments are concerned to restrain the increases and avoid inflation. At the end of my remarks I will give an indication of some of the things President Johnson has announced today. We cannot rely upon their efforts to protect us against price increases; the effects of international competition work too slowly. Moreover, Canadian prices and wages have been rising more rapidly recently than those in the United States and our price problem does not arise primarily from what has happened there, although the quickening of the United States economy this year has had a noticeable effect on our trade and the level of the total demand on the Canadian economy. We have to do our share to restrain the widespread inflationary forces now at work in most of the western industrial nations.

It is evident from what I have said that we cannot solve the problem of inflationary pressures now by government control nor by establishing now some specific guideposts to be observed in making price changes and wage settlements. Over the longer term we may be able to develop a persuasive type of incomes policy which takes properly into account the particulars of individual cases, but that requires a lot more work and a much greater consensus of view than we have yet developed in parliament, in business or in labour circles. In the meantime the government can and will try to do what it can to moderate the general rate of increase in costs and prices by persuasion and by example in dealing with its own operations. I might add that the seaway increase of 30 per cent over two years and the railway increase of 18 per cent are not to be regarded as examples for this purpose.

Apart from what can be done by example and persuasion, the chief instruments now available to us are those which influence total demands on the economy—monetary and fiscal policy. We have used these in the past year to restrain total demand. The expansion of the money supply and bank credit has been held in check and interest rates have risen in response to insistent demands for credit. Budget measures have been brought in, as hon. members know, to increase tax revenues and induce the deferring of private expenditures. In the budget we increased our federal personal income taxes by about 9½ per cent on the average—largely reversing the reduction of the previous year, except in the lower incomes. We reduced capital cost allowances temporarily, increasing our revenues from business and providing an incentive to defer capital expenditures. We imposed a temporary and refundable tax to force some postponement of business expenditure without adding significantly to cost. We gave advance notice of the reduction and

removal of the sales tax on production machinery and equipment as a further inducement to defer capital spending.

We made clear it was the purpose of these measures to slow down the rate of increase of business and consumer expenditure, stretch out our prosperity and sustain our economic growth. These measures were clearly of the right kind. They have worked. They have been approved in Canada and elsewhere, recently, for example by the authoritative Federal Reserve Bank of New York which commented:

> Canada has clearly made a major effort to adapt general monetary and fiscal policy to the requirements of a strongly stimulated economy and has, in the process, broken new ground in the development of flexibility in fiscal policy.

I should like to say that had our example been followed elsewhere I think the world would not be suffering inflationary pressure quite as strong as it is.

• (5:40 p.m.)

It is now evident, however, that the total effect of our monetary and fiscal measures has not been enough to keep the total increase in the demands on the economy down to the objectives set in the budget. I think the monetary policy of the Bank of Canada has been well conceived and skillfully applied, despite the very difficult circumstances with which it has had to cope. But I think that we in Canada, and other countries as well, have left too much to be done by monetary policy. This has resulted in conditions in the capital and money markets which are now so difficult and abnormal that they may impede the smooth and efficient flow of savings into productive investment. A larger flow of savings would help to meet the situation.

Savings are a most important aspect of the fight against inflation. Canadians, either as individuals or through corporations, lay aside a good proportion of their earnings for future use. We are one of the countries of the world which save a high proportion of their income. Our over-all rate of savings compares well from year to year with many other countries. In this present situation an increase in corporate and individual rates of savings would serve both to moderate the level of demand and to reduce the pressure in capital markets, and as one means of encouraging individuals to save we shall shortly be offering a special centennial issue of Canada savings bonds. I expect the announcement to be made in a few days.

[Mr. Sharp.]

It is clear, Mr. Chairman, that we should strengthen our fiscal policy so that it can carry a greater share of the load of restraining the excessive growth in demand now taking place. Ordinary budget considerations lead to this conclusion as well as the present economic circumstances.

In the budget in March, after taking into account the tax changes then proposed, I anticipated budgetary revenues this year of $8,300 million, excluding the yield of the refundable tax. Our budgetary expenditures I forecast at $8,450 million. This left a budgetary deficit of $150 million. In terms of the national economic accounts I forecast a surplus of some $650 million including the refundable tax yield.

That was a budget designed to restrain inflation. That is why I have no hesitation in saying it was the right kind of budget, and I am sorry it did not work as well as we all hoped it would for reasons which have emerged since the budget. In fact, I recall in the debate which took place on that occasion some members wondered in the spring of this year whether we were going to be faced with inflation or recession. The government certainly had no doubt. I certainly had no doubt, and I am happy to say we did bring in that kind of budget.

Our latest estimate for our revenues this fiscal year shows them at approximately the same level as forecast in the budget. The yields of some items such as corporation income tax are down slightly below the forecast, while others are up enough to offset these.

On the expenditure side it is harder to make a revised forecast at this stage until we know the timing of some of the changes that are under way. Parliament has not yet decided, for example, on what date the income guarantee program, announced by the Minister of National Health and Welfare in July, will come into effect. This is one of the unknowns.

Mr. Knowles: Has the government decided?

Mr. Sharp: Yes, and parliament has yet to decide, but the government has its plans. These will be announced in due course, and there is no intention of changing anything about that.

As is now widely known, we will have to face some increases in pay for the armed services, and I should add in veterans' disability pensions and veterans' allowances. It is

too early to forecast just what these will mean in this current year. I would think, however, it would be prudent to anticipate a total of $8,600 million in budgetary expenditures quite apart from the income guarantee program. Consequently we now anticipate a budget deficit of about $300 million and a corresponding reduction in the surplus on the national economic accounts basis.

The development in the economic situation since the time of the budget indicates the need for a stronger fiscal policy, taking into account what I have said about excessive reliance on monetary policy. May I say in this connection that this is a complaint that is equally applicable in many other countries of the world, particularly in North America. In the United States monetary conditions are even tighter than they are in Canada, and the President of the United States and the Secretary of the Treasury have, like myself, admitted that there has been too great reliance on monetary policy.

It was indicated in July that revenue measures would have to be considered to meet the burden of the income guarantee program. I have reached the conclusion that when this program is enacted it will be necessary to increase taxes or to introduce new taxes to meet our total requirements and to prevent the government's own increasing expenditures from having inflationary effects.

When we have before us, perhaps in late October, the measures to authorize the increased revenues made necessary by the income guarantee plan we will be able to review our general fiscal position and consider what changes are desirable in the light of the economic and financial situation. Until that time I will not endeavour to be more precise as to magnitudes nor announce any decision as to the nature of the measures that would be most appropriate. Needless to say, one can never anticipate tax changes.

In order to keep future tax increases to a minimum and still contain the inflationary pressures, the government has decided that it must moderate the rate of increase in expenditures, deferring some programs already planned, terminating others, and putting restrictions on still others. We are having a long and painful review of these expenditure programs with this in mind.

One of the decisions taken was to discontinue the winter housebuilding incentive program, which now does not appear to us as necessary since the same effects in regard to the volume of construction in the winter can be obtained through suitable control of the direct lending by the Central Mortgage and Housing Corporation.

While the government is strongly in favour of increasing grants for research as a basic long-term policy, we will have to exercise more restraint in the rate of increase this year than we had hoped would be necessary.

The scholarship program which it had been our original intention to introduce this year will be deferred. I think the essential needs at present can be met from our student loan program on the one hand and the extensive provincial student aid programs on the other hand.

The agreements with the provinces for support of certain forestry programs expire next March and we have decided they should not be renewed as we feel the provinces are quite able to carry on themselves.

We are seeking to hold down the size of the defence budget despite the inescapable increases in pay and in the prices of what we have to buy. We shall continue to restrict our capital expenditures although this will mean some slowing down in a number of desirable programs and a postponement of good projects. I noticed the recognition of some hon. members opposite that many good projects may have to be deferred, and that is why I said this has been a painful review, very painful, and even after we have made all the changes that will be made there is still bound to be a substantial increase in government expenditures.

We have decided that we must defer the commencement of one major program that is already before the house. Many of the provincial governments have indicated that they feel we are attributing too much urgency to the introduction of full medicare programs right away, and they do not feel prepared to proceed to put such programs into effect next summer as provided for in the bill before the house. We therefore propose to defer the effective date of the plan for a year until July 1, 1968. The legislation will be proceeded with in the house as a high priority item when we reassemble at the beginning of October. The government has no intention of changing the substance of the bill other than its effective date.

Obviously this decision on medicare was a difficult one for this government to make because we have been, and remain, so strongly in favour of this major social reform. We feel, however, that the delay will help to meet the immediate financial problems of

both the federal and provincial governments and contribute to the ultimate success of the program.

The provinces and the municipalities have been increasing their expenditures as well as the federal government, including of course their very large expenditures on education. They face just as great demands as we do for increased services and facilities, and they have been sharing with us the unpleasant necessity of increasing taxes. It is certainly desirable that we and the provincial governments should harmonize our policies in expenditures, as in fiscal policies generally, taking due account of priorities and economic circumstances.

I shall of course be discussing these matters and others with provincial representatives in the tax structure committee next week. The provinces have made clear that they need and want more revenue and would like us to reduce our taxes so that they can increase theirs, as we have done for a number of years past. Our present economic situation and our foreseeable federal financial position do not permit such action on our part now. Discussions of our problems and policies as well as the general fiscal and economic outlook are necessary before we all make our plans for next year, to be submitted to parliament and the legislatures, including the main fiscal arrangements between us for the five years commencing in 1967.

• (5:50 p.m.)

It is to our fiscal policy therefore that we must look for some further assistance in restraining during this boom period the excessive total demands upon the economy that are currently making possible and in part bringing about the increases in costs and prices that are causing concern to hon. members and to very many Canadians. This is not an easy answer nor a very welcome one to those of us who must take action to cut back expenditures or increase taxes. Higher taxes are cold comfort to those troubled by higher prices, but they can help prevent prices going up more and more. I can assure the house that if higher taxes are necessary they will be proposed with a careful concern for ability to pay.

Measures such as these are, nevertheless, a relatively small cost to pay for the continuation of an expanding Canada—to avoid the grim alternative of boom and bust. We who have the responsibility of government intend to face up to the task confident that we shall have the support of parliament and of the Canadian people.

[Mr. Sharp.]

Some hon. Members: Hear, hear.

Mr. Sharp: Just before sitting down, Mr. Chairman, may I indicate the measures President Johnson has announced today which have a familiar ring. He has proposed in a five point program a temporary suspension of the tax credit which permits firms to deduct from their tax bills up to 7 per cent of the funds spent on plant expansion and modernization and a six month suspension of laws permitting corporations to benefit from an accelerated depreciation program. These are very similar to the measures we took earlier this year in the budget. He also proposes that he would carefully review appropriation bills clearing Congress and establish priorities to see what could be impounded, postponed and stretched out. I could not give a better description of what I have been saying today. This is a necessary condition and one which is to be found in the United Kingdom. I hope we never will have to emulate the British course here. It was necessary there because they were unable to contain their inflationary pressures soon enough. If we keep ourselves expanding in accord with our physical possibilities, I think we can avoid stop and go. All it requires is a little sense and some restraint.

The President also proposed that Treasury Secretary Fowler would conduct a survey to determine what federal securities should be withheld from the already tight money market. Finally, he would ask the Federal Reserve Board in the light of the other actions to move to help bring down soaring interest rates. I should like to add that if the kind of measures I am proposing today are implemented I think this will help bring down interest rates.

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

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Inquiry as

to consideration of medicare and old age pensions; the hon. member for Trois-Rivières (Mr. Mongrain), External Affairs—offer to six libraries in France of a Canadian book collection in French and in English; the hon. member for York-Humber (Mr. Cowan), National Hockey League—application of Canadian laws to hockey players.

Mr. Knowles: Mr. Speaker, when we were in committee of supply I think there was an agreement that we would take a supper hour from six to seven o'clock. If we do that, I think that would take care of the private members' hour.

Mr. Trudeau: Does Mr. Grégoire agree?

Mr. Knowles: I think he has gone to Quebec.

Mr. Pickersgill: Mr. Speaker, if it could be made an order of the house that at this moment Your Honour would go back to the chair in committee and that the committee would then rise and resume its sitting at seven o'clock, I think that would meet everyone's wishes.

Mr. Deputy Speaker: Is it agreed that the private members' hour be suspended and that the house resume the business which was interrupted a few moments ago?

Some hon. Members: Agreed.

SUPPLY

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

The Chairman: Order. This sitting is suspended for a period of one hour. The committee will resume at seven o'clock.

SITTING SUSPENDED

At 6 p.m. the sitting of the committee was suspended.

SITTING RESUMED

The committee resumed at 7 p.m.

The Chairman: Order. House again in committee of supply, estimates of the Department of Finance, vote No. 1, to be found on page 118 of the blue book.

Mr. Hamilton: Mr. Chairman, when it came to my attention that I was to lead off for the opposition on this item I began to put down the observations that I wished to make in the time allotted to me. The first thought that flashed through my mind was: Never had a speaker, on the opening estimates of the Department of Finance, so many targets. It reminds me of a time during the depression when the rabbit population got very thick on the prairies and many of us went out to reduce that population somewhat, partially for sport and partially for food. As the owls chased the rabbits in from the fields toward the bluffs and the trees on the farm you could fire your rifle as fast as you were able, and they still kept coming in waves.

That is the way this government has been functioning for three and a half years: No matter how many mistakes they have made, they keep coming in waves with more—and the mistake that I think is inherent in the minister's statement this afternoon will probably be one more and one of the most serious. It has been said that to be minister of finance is the graveyard of politicians who have ambition.

Mr. Churchill: Also national defence.

An hon. Member: Well, you survived.

Mr. Hamilton: The remarks made by the minister this afternoon put him very deep in the six-foot hole that is customary in graveyards. In my judgment the speech this afternoon was a complete victory for the establishment. The same establishment that we met up with when we were the government has now won a complete victory.

Let me remind the committee that one of the great stories that has to be told is that in 1945, following the war, Canada was faced with inflationary pressures and the civil servants of that day had to meet them. In the Korean war there was another inflationary period, and the civil servants of that day had to help meet it. Then we had a period of the great influx of capital into our country from 1953 to 1955. This was an altogether different type of inflationary pressure—and the civil service had to help the government meet it.

These three great crises in the financial aspects of running a government so thoroughly penetrated the thinking of those who advise the government on financial matters both fiscal and monetary that they lived in everlasting fear of inflationary pressures. When we were the government we faced two recessions, in 1957-58 and again in 1961. Even when we were facing recessions we had advice poured on us to take anti-inflationary measures. The worst feature of this situation was that the person who was the spokesman and had control over the monetary policy was

going one way, with a tight money policy, and the government formed of the elected representatives of the people of this country was going the other way. We finally resolved that difficulty by the dismissal of the governor of the Bank of Canada.

Mr. Deachman: He resigned.

Mr. Hamilton: Let us not go into the details of that manoeuvre.

An hon. Member: No, let's not.

Mr. Hamilton: All I want to point out to the committee is that any person who reads the report of the royal commission on banking and finance, the Porter royal commission, will realize that never in the history of this country has there been an indictment of a public servant such as there is in this volume.

Mr. Sharp: And of the government.

Mr. Hamilton: And of governments, including our government and the preceding one.

Mr. Sharp: Yours.

Mr. Hamilton: Our government was included, and so was yours, because we were both part of the end product being produced in this country by the financial establishment. This group is so able, so sincere and so dedicated that they find it very easy to persuade themselves that they know how to run the country better than the elected representatives of the people.

• (7:10 p.m.)

This is what the statement of the minister means tonight, that he has completely accepted their point of view. He has accepted a series of techniques of dealing with financial measures which are as old and as orthodox as financial measures both fiscal and monetary could be. This is simply a retreat into techniques that have not worked in the past, that have destroyed governments and that will destroy this government.

Mr. Sharp: And that have brought about the most prosperous conditions this country has ever seen.

Mr. Hamilton: The government today is living in the most prosperous conditions this country has ever known and which were brought about in 1961. Every action of the government since it came to power in 1963 has led to the conditions in which we find ourselves today. Let no one think this happened since the last budget. Let your mind go back to the last three and a half years. In the fall of 1962, with a minority government just elected continuing the expansion program of the previous two years, the leader of the opposition, who is now the Prime Minister of Canada, announced on several occasions in the month of September that he considered it his duty to stop anything going through this house and to force the government of that time to its knees.

That is the start of the policy for which the minister is paying a price tonight. We were able to pass no estimates and no legislation. The wealthy and the "wise" of this country got together to destroy us; but now the minister has put himself in the hands of those who destroyed us. The result of that will be that he and his government will face the same fate. That is the significance of his remarks tonight. This is the victory of the old fashioned techniques of bringing in measures too late and increasing the possibilities of a recession in 1967. Everyone knows that for the last two years our Canadian economy, because of the drive we started in 1961 toward expansion at home and abroad, has been walking on a tightrope, a tightrope between recession on one hand and inflation on the other.

This is not a new subject, Mr. Chairman, and I intend to deal with what has been said by those of us on this side of the house concerning this matter. However, before I get into the actual facts respecting a situation which is very serious, and will have negative results for the future of Canada, let us look at the members of the cabinet. Anyone with half an eye can see that there is something drastic disturbing them. I saw the Minister of National Health and Welfare—

Mr. Churchill: Where is he?

Mr. Hamilton: Running around with a tight face. I knew immediately that there was something wrong. I know when a man walks through Gethsemane; I know he appealed to one man and another of his colleagues because the government was in crisis again. And where is the minister tonight? He has been destroyed by the cabal which is temporarily in control in the cabinet. I have watched the ministers being destroyed one after another in the last three and a half years, as different groups in the party fought each other. I saw the Minister of National Health and Welfare and the new minister of manpower, one of the most promising men to

have come up from French speaking Canada in recent years, led to the slaughter on the railway strike bill, sacrificed on the altar. I have seen these men betrayed and the rug pulled from under them.

This is a divided government, one that has always been divided. They do not worry any more about crises cropping up once a year or once a month; now they worry about them every minute. This is a divided cabinet, which has to go.

Let us look at all the other measures which will be cut down, ones that the traditional type of finance minister thinks of cutting first, such as the $500 to try and even out the flow of employment in the construction of domestic homes in winter. Research is another victim, although it is certainly one of the things that would cause a reduction of inflationary pressures. Education, a longterm solution to inflation in any country, is also to get the axe. Forestry, at a time when forestry products in the northern hemisphere, are in the greatest demand, is to be curtailed. I will not say a thing about defence. It has already been indicated that instead of maintaining an army to defend this country and to bear our share in the defence of North America, we are now establishing a police force armed with police billies instead of rifles. Capital expenses will be cut down.

That brings me to the question of the old fashioned technique of cutting down what is vulnerable, such as, for instance, medicare. A year ago I said in this house that any person who tries to pretend to the people of Canada that medicare will be put into effect in Canada by July 1, 1967 is only fooling the people. And yet we have witnessed a great campaign through the press, radio, through pamphlets and managed news in the magazines that medicare will bring an end to all our problems, that every ache and pain will be over on July 1, 1967. This was backed by a pledge of the minister who was allowed to make that pledge. The truth has now come home, and another minister is biting the dust. The provinces have been led to believe that with the Liberal party in power all will be well. Next week the axe will fall on them also.

Today we heard the minister telling us, in smug terms of the statement made by President Johnson in the United States. We would be better off if the government would stop thinking about the United States and trying to keep in step with that country. We must realize that the same bunch of people in the United States are cosy with a similar bunch of people in Canada. You cannot tell the difference between their policies on defence and fiscal matters, and our policies. They are good, sincere and able men, but their minds are fixed on the past. They will not listen and let the fresh air of new ideas come into their thoughts. They destroyed us and they will destroy this government.

Last night I listened with interest to the minister's speech on television. He tried to blame everyone but the government for inflation.

• (7:20 p.m.)

Who is to blame for this inflation, the opposition? He says the bad boys of the N.D.P. are pushing us too fast. He says these bad boys in the Conservative party push us too fast. He says the opposition is to blame. Who took the attitude that all democratic government would stop in the fall of 1962? The present Prime Minister took that attitude. He had a group of devoted people behind him who stopped everything we tried to do from this side of the house in the fall of 1962. Who brought in the budget in 1963, the opposition? Then, we had 60 days of decision. That budget was a restrictive budget. That budget inferred all the things the royal commission had intimated in 1957, and Mr. Gordon undertook to put into it the ideas set out in "Troubled Canada" as well as the restrictive ideas developed at the Kingston conference.

All these higher taxes were part of the 60 days of decision. Who started the 11 per cent tax on production machinery that added to the costs at the very root of all costs? If I remember accurately all the parties in the opposition condemned the government for adding on that 11 per cent tax. However the government believed in restrictions. This was their name for planning. The establishment was in control. Well, we got a few of the restrictions removed, but it was not the opposition that put on the taxes or put on the restrictions.

Then, let us jump ahead to the budget of 1965. I spoke during that debate and I have a copy of my speech here. This was a year and a half ago, Mr. Chairman, and I warned the government then about what was happening. The present member for Davenport was then the minister of finance. He said that we were going to have an inflationary budget to get this country going, but he was going to an election. So, we have this silly situation, with

inflation beginning to show signs of gathering momentum in 1965 and a finance minister thinking in terms of one thing only, namely getting the Liberals back into power with a majority. I have the record here and I intend to quote from it. However, I should like to remind the committee that this is not only my view. I just happened to be reading an article in *Time* magazine a few months ago. This article is dated June 3, 1966, and the subject is "The Realm of Canada". The part I should like to quote is under the heading, "Everything but Business", and states:

> Gallup's conclusion that the "Munsinger affair did considerable harm to the image" of the P.M. was something of a surprise, considering that the Liberals intended it to cut the other way. Obviously, the answers were weighted by the universal assumption that Pearson will not contest another election. But the Gallup poll also failed to note that the mood was as much inspired by a series of earlier irritations. First there was the budget blight of 1963, then the flag argument of 1964, followed by last year's Rivard affair, and penultimately the sticky business of postal clerk spy George Victor Spencer earlier this year. The fact that Pearson personally telephoned Spencer to ask if the spy wanted a judicial inquiry was not the first instance of the P.M.'s diplomatic instinct leading him politically astray, but possibly it was the worst example of his unnecessary dabbling in dirt. Munsinger was too much. "More than anything else," suggested a Toronto Liberal last week of Pearson's diminished public support, "it's just an accumulation of everything but doing the nation's business."

This is the charge I level at the government tonight. They have time for "Bi and Bi" commissions; they have time for debates on capital punishment; they have time for flag debates. All these things have merit, but the government has no time for the nation's business. This government has been so busy carrying on elections that they have no time for anything else. The 1963 election was unnecessary, and the one in 1965 was doubly unnecessary. Now, as a result of the sheer weakness of their position, we are stumbling into another one in 1966. This government has been so busy trying to get a majority so they will have complete control of the country, as they believe, that they have no time to govern. We are paying for their sins now.

In the time that is left to me, I want to deal, and I can only do so in very elementary form, with the fact that there are long-term solutions to inflation, and short-term solutions to inflation, as the minister stated. No one quarrels with the desire to find out more about an income policy. No one quarrels with any of these long-range objectives which we all have. The problem as I pointed out in

1965 and again in 1966 in my budget speeches, is one of finding short-range solutions. This country today is even more precariously balanced on the tightrope than it was five months ago. Five months ago I proposed, in essence, that the answer was not a whole series of anti-inflationary measures, just as the answer was not a whole series of inflationary measures. The obsolete proposals for coping with these problems are all on file in the offices of this government, available for every minister; but is it not about time we began to use the knowledge we have and to realize that today there are some forces in Canada that are deflationary, just as there were a year and a half ago? These deflationary forces are there. Likewise there are pressure points for inflation.

Budget making now in 1966 is not the same as it was in the days of the horse and buggy or in 1867. I suggested that we should have a series of short-range proposals, some of which were anti-inflationary and some of which were expansionist. These things work against each other, and would keep us balanced on the tightrope until we got through this pressure period. Without going into great detail, I will start with the budget of 1965, and some of my statements. I quote:

> Now, Mr. Speaker, this budget adds another inflationary force by trying to increase consumer spending. Second, there is a shortage of skilled labour in almost every line of activity, and this produces a cost-push inflation . . .
>
> Third, there is a tremendous need for new capital for plant expansion . . . Why is the government not aware of them?

I put forward three propositions and asked why the government was not aware of them. I did not know they were planning an election; I was simply trying to be constructive. I dealt with this 11 per cent tax and said that this was at the root of a lot of our trouble. Then I quoted from a document published by the Economic Council and proceeded to outline 17 or 18 proposals, mostly short-range, which would help the government ease away from this inflationary pressure. They are all there—one, two, three, four, five, six, and right down to 14. I was trying to be constructive.

This year, I was even more precise because I saw the situation more clearly. Let me quote just a few paragraphs from what I said on April 1, 1966, as recorded at page 3751 of *Hansard*:

> • (7:30 p.m.)
>
> If the previous minister of finance was following nationalistic policies that are 60 years out of date,

I think it can be said of the present Minister of Finance that he is only 25 years out of date.

I change that now and I say that they are both 60 years out of date. I went on:

Last year the minister supported his predecessor's proposals. Last year the minister and his predecessor ignored the clear and present warnings which we on this side of the house gave about inflation. Last year the Minister of Finance indicated that he would stand or fall with his colleague. This year I think one can say he has done nothing in particular, and has done it very well.

Then I went on and talked about the fundamental problems that we had been talking about, and I said:

The tragedy of this budget, Mr. Speaker, is that the minister has not faced up to the fundamental decision which confronts Canada, and that is how to utilize the human and material resources of Canada so that the economy can operate closer to its essential capacity.

Then I proceeded in a series of positive suggestions to pick out those areas, and I can summarize them in this way. First of all there was the principle of selectivity. In some areas you should force expansion by offering incentives. These areas embrace the steel industry, the petrochemical industry, and so on. Then there are areas where you should check expansion—for example the construction industry—by selection of your fiscal program to meet the needs in each of the industrial segments. This is one positive approach which has never been utilized in this country.

Second, I made a big pitch for a temporary manpower policy. Instead of waiting for all of these long-range solutions of the minister of manpower, we should get right down to the facts. We have thousands of able people who are willing to help but are not being given the chance. I would point out that only 34 per cent of our women between the ages of 21 and 45 are in the work force. This is the lowest percentage in the world of women in this age group who are working.

Our women are just as able to meet a national emergency as any other group in the country, but there is no leadership. We have great numbers of people who are retired at 55, 60 and 65 and who are at the peak of their mental capacity, and they are willing to be called on a temporary basis back to the working force. We do not have to wait a year or two for them; they will go back to work in two weeks. If the government would say what their policy is, the manufacturers, the hospitals and all the other people who need help will get them back to work. It can be done very simply on a fiscal incentive basis which is not inflationary, but will get at one of the basic causes, namely labour shortages in certain segments of the economy.

The third point that I made last April was that no one has looked seriously at the various ways of meeting inflation on the monetary side The minister was quite right today when he said that we put too much faith in the monetary capacity of the Bank of Canada to settle this question. The bank has only a marginal impact. What it is, no one knows—20 per cent, 30 per cent; I do not know. But when you put the millions of little people in this country on your side, they know all about the high cost of meat and the high cost of everything which they buy, and they are willing now to co-operate with you. You can kill two birds with one stone by using the little people of this country, who have only a few dollars a month, to help the situation out. If they knew they would get their money back, they would be much more willing to put it aside.

What does the minister imply today? The old-fashioned technique of taxing the people and taking their money away by that method. And I have not mentioned the worst aspect. If the government want to clear the pressure on capital spending, there is one move they can make. Under the Canada Pension Plan the government will take $400 million a year out of the people of this country, which represents 3.6 per cent of the labour payroll. The government turns this $400 million over to the provinces.

Mr. Sharp: That is what we have done.

Mr. Hamilton: That is what you have done. But what do the provinces do? They have no responsibility for fiscal policy. They put this money into circulation.

Let the government go back to their original plan if they like. Mr. Lesage has gone; he cannot stop you now. The government does not have to make a backroom deal with Mr. Johnson. Let them do it openly. Let us get back to the system of pay-as-you-go and get this rate down to less than 2 per cent, and the funds back under control of the federal government.

The workingman has only been assessed this amount of deduction during the last few months. Half of 3.6 is 1.8. Can you blame the labour union leaders for asking for more when the pay of the workers keeps going down? Who started this inflation? The government who started it had high hopes, but they fell flat on their faces as they made deals with Lesage which hurt this country,

and which are hurting it more than anything else at the present time.

Let us turn the people loose, because they want to help. They want to cut their costs and they are quite willing to go out and work. They are not going to stay in the labour force once the emergency is over in the next two or three years; they will be glad to go back home. But give them the incentive to work. This is what I call a peaking policy. Give the little people of the country the chance to save, and in such a way that they know that by saving they are going to reduce the cost of the things that they buy, and that they are going to get their money back with increased increments when the time comes.

I could go on and list suggestion after suggestion, but I will not. All I will do is to plead with the minister that, as he prepares his baby budget this fall, that he break clear from these reactionary right-wing, obsolete methods of the last century. I ask him to give some of the new thoughts an opportunity to be tried out. This country is not going to collapse. We are strong; we are just beginning to get up speed. Our railways need to expand and our steel industry needs to expand. The government should back that expansion, and at the same time put the anti-inflationary forces to work to balance that expansion. I ask the government to give us some leadership. If they do, I am sure they will be surprised at how the people will respond and follow the leadership of 20th century thinking. But they cannot help but be disillusioned by leadership under the hand of a reactionary group of the old guard on fiscal and monetary matters who draw their inspiration from the 19th century.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, it would not be quite true to say that I was surprised at the statement of the minister this afternoon. I did not expect very much, though I must say that I was somewhat surprised at the lengths to which he went in promoting extremely orthodox views, not to say reactionary views. I do not intend to deal with his statement yet because I have some quite positive suggestions to make to which I hope the minister will listen with some attention.

The only comment that I want to make on his speech at the moment is to remark on the airy assumption that he made, without the slightest supporting evidence, that we are inclined to do too many things in Canada at the same time; that we have reached the limit of our productivity. There is no evidence at all to support that statement and, on the other hand, there has been no examination of how our resources are being used at the present time.

The minister makes this statement in light of a report from the Economic Council of Canada that per capita productivity in Canada is 23 per cent less than it is in the United States. I would suggest to you, Mr. Chairman, that unless we are prepared to accept the idea that Canadian workmen are less competent, less efficient and lazier than those of the United States, this would indicate to me that there is something radically wrong with the structuring of our industrial society.

This question of inflation, of the rise in the cost of living, cannot be fruitfully considered in isolation or dealt with in the way the minister proposes—by monetary and fiscal measures divorced from the general economic picture.

• (7:40 p.m.)

Primarily it must be considered in terms of our actual and potential productivity, to determine whether or not we really have actual and runaway inflation which can be cured only by drastic monetary and fiscal measures, and whether in fact the situation conforms to the classical definition of too much money chasing too few goods.

We must examine our whole industrial and financial machinery to determine how well it is succeeding in using our human and material resources to produce the maximum in goods and services for the Canadian people. On the face of it, one must view with considerable suspicion the contention that Canada has reached its limit in this regard. I, for one, find it an insult to my intelligence to be told that 20 million people with an exceptionally high level of technical skill, in possession of the world's largest per capita store of unexploited natural resources, are not capable of producing goods and services to satisfy their demands. Yet, this is what the minister says. This is what we are told when terms such as "an overheated economy" are used to describe a society which, owning enormous real and potential wealth, yet suffers slums, housing shortages, inadequate educational and health services and, I might say, a barbarically low cultural level to exist within its boundaries.

I think it is time perhaps that we kicked this bogeyman of runaway inflation, this

scarecrow that is held up to frighten us, out of the way, and took a hard look at the institutions and arrangements which link our economy with the rest of the world—the institutions and arrangements by which we produce wealth from our enormous natural resources. For one thing I think we should take a look at our tariff structure. It has something to do with our link with the rest of the world. First of all we must examine our own internal legal and institutional arrangements to see how well or ill they contribute to the goal of maximum production. We are again being offered all the old moss-grown explanations for the rise in the cost of living. Faced with steadily rising prices, the consumer is being persuaded to place the blame on labour, and in some instances, on the farmer. Labour is accused of exorbitant demands which increase costs, with the added suggestion that the Canadian worker does not work hard enough to justify his demands. The farmer is accused of inefficiency and of failure to keep up with the times.

With regard to the charge against labour, there has been a continuing battle of the statisticians and economists. One can prove anything by carefully selected statistics and I do not propose to enter into the battle, which in many cases tends to be one between special pleaders. I have no hesitation in saying that anyone who has worked as it is possible that some of us have, in Canadian industrial plants, or who cares to enter and observe the operations in a Canadian factory will be unable to leave that factory convinced that the Canadian worker does not work hard and efficiently with the means placed at his disposal by his employer. Furthermore, no fair-minded person, on examining the wage scale of the Canadian working force will be able, in good conscience, to contend that the Canadian working force draws an undue share of the wealth which it produces. The charge against labour is in essence a demand of other and more fortunate sections of the community to continue to enjoy a privileged position in our midst.

The charge against the farmer is, if anything, even more ill founded than the charge against labour. In no section of our economy has the impact of modern technology been so great as it has been in the agricultural sector, with the consequent result that efficiency and productivity have been increased. The proof of this is to be found in the enormously increased agricultural production, coupled with the dramatic decline in farm population. If the farmer is to be blamed for anything, it is for his failure to combine with his fellow farmers, to ensure the distribution of agricultural products to the consumer at prices that will be fair to himself and to the consumer.

It is too easy, too simplistic to find the cause of the continual rise in the cost of living in the greed and indolence of labour, and in the stupidity of the farmer. These are myths without foundation in fact, and we must dig deeper to find the real causes.

From time to time, Mr. Chairman, faced with the rapacity of the free enterprise system, legislators and parliaments have enacted legislation in an attempt to cope with the more rapacious aspects of the acquisitive society. In the course of time such legislation, without regard to its effectiveness in the public interest, has come to assume the position of a sacred cow, taking its place in the pantheon of the good, along with motherhood, marriage, thrift, and piety. One such sacred cow has been the Combines Investigation Act, and I am well aware that when I propose, as I am about to do, that we scrap this legislation, I shall run the risk of being charged with hardly less than sacrilege. If we look this sacred cow firmly in her soft brown eye, we shall find she is what dairy farmers call a "boarder"—a cow that looks nice but provides no butterfat.

In the first place this act is ineffectual. It would be difficult, and perhaps impossible, to cite a single instance in which an action under the Combines Investigation Act has proven successful in preventing collusion to act in concert by businesses which are supposed to be, ostensibly, in competition.

Even more difficult to be proved would be the contention that a success in preventing such collusion would have been in the public interest. The truth is that the developments which the act was designed to frustrate are developments inevitable and necessary in an industrial society—the growth of units of production of a magnitude great enough to be capable of the most economical and efficient use of human and material resources—a magnitude which will vary from industry to industry, and from period to period.

This is not to say, Mr. Chairman, that the large enterprises necessary to modern production do not place in hands of their owners and managers enormous power to levy an unconscionable tribute on the public. Other means than the prevention of this development must be found to curb the misuse of

that power. We must work with the forces that are moving society and not try to play King Canute in a vain attempt to stem the tide.

Human society is never static, and the weakness of legislation such as the Combines Investigation Act is that it is designed to keep society static. This is impossible. Societies such as ours are dynamic, and there are irresistible forces within them. Any attempts to frustrate these forces can only lead to disaster.

We must work with these forces, not against them, and encourage the developments which will restructure our industry on more efficient lines. In doing so, we must make sure that that restructured industry will serve the public interest.

If our industry is to be encouraged or forced to rationalize itself, either by merger, or by co-operation such as I have suggested, then it cannot be protected from the winds of competition from outside. Rather than pursue the, so far, fruitless attempts which have been made to reach some worth while reform agreement on tariffs with the United States, let us face our neighbours with a *fait accompli* in the form of tariff elimination, and an invitation for our neighbours to do likewise. In order to give Canadian industry time to effect the necessary rationalization, tariff elimination should be spread over a period of years—perhaps five years. If at the end of that period the United States exhibits no sign of reciprocating, then the imposition, or perhaps, the warning of the intention to impose quotas might have a salutary effect.

• (7:50 p.m.)

In addition to the repeal of the Combines Investigation Act and the removal of tariffs as methods of forcing rationalization and improved efficiency upon Canadian industry, we believe it is time, in spite of what the Minister of Finance said this afternoon, to impose selective price controls as a means of containing inflationary pressures. It is obviously extremely difficult, much as we might like to do so, to control prices directly at the retail level. The mind boggles at the thought of a horde of inspectors padding up and down the aisles in every supermarket. Even the example of the circumstances that necessitated the setting up of the Wartime Prices and Trade Board is not analogous to the present situation. In the first place, we are not at war, and measures which it was possible to implement then are not possible now. Second, and more important, our retail industry today is vastly more complex and sophisticated than it was 25 years ago.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

So when we seek to control prices we must move back along the chain of production and distribution until we reach those basic commodities whose cost enters directly and indirectly into every other cost. We reach such things as steel, copper, aluminum, and pulp and paper goods for domestic consumption. This list is not exhaustive. After research, decisions must be made as to whether their prices should be rolled back or frozen at present levels. But they can no longer be allowed to roam free, and any upward revision after price controls are in effect can only be allowed on the basis of a convincing case before a prices review board. In those fields in which direct price control is not applied, provision must be made for such a board to receive application from consumers organizations to examine this or that commodity price. Except in the case of those basic commodities on which controls had been placed, the board's function would be to give the utmost publicity to its findings.

In spite of the lack of foundation for the general charge that wage increases cause inflation, it would be useless to deny that there have been occasions when wage increases in basic industries have helped to set off a spiral of inflation. But these are cases in which there has been virtual collusion between management and labour, either with or without a ritual battle of negotiation, to levy an extra tribute on the general public. One of the purposes of price control in such basic industries is to force improved efficiency and productivity by closing the door to such courses of action. In effect by means of price controls we say to management and labour in these industries "This is it. This is all that the rest of us are prepared to pay for your product; fight it out between yourselves how you divide it." Any increase in the size of the pie would have to come from increased productivity, necessitating a working partnership between management and labour. One might even anticipate some other effects. One possible effect might well be to provide a stimulant to the development of secondary industry which would no doubt be anxious to take advantage of the stable prices created by the imposition of price controls on the basic commodities of our economy.

I wish to deal for a moment with another feature of our economy which has a great deal to do with this question of inflation and the rising cost of living. The minister has

suggested that he now agrees with us —though he did not agree with us some months ago—that he has been relying too much on monetary control and not enough on fiscal policy. But even his attempt to use monetary policy has been based, I suggest, on at least one big fallacy. I suggest to the minister that contrary to the conventional wisdom that high interest rates have a deflationary effect and act to cool down an overheated economy, any real examination of their effect in the present stage of our economy must lead to the opposite conclusion.

In the first place, directly or indirectly, interest enters into every cost and as it is inevitably passed along to the end of the line where the consumer stands, it must have the effect of increasing prices. The argument that high interest rates tend to cut down consumption is simply not borne out by the facts. The businessman will not be deterred by high interest rates, so long as a booming full employment economy exists. He will be confident of being able to pass it along the line.

Evidence before the banking and commerce committee in 1955 or 1956 proved that the client of the small loan companies is not only not deterred by high interest rates but does not even bother to find out what he is paying. The terms of repayment are his only concern. If the monthly payment seems within his means he has little care about the rate. As for slowing down the investment rate it is obvious that interest rates are of marginal importance in an economy in which over 70 per cent of all investment comes from internally generated savings. High rates encourage the inflow of foreign capital and in the final analysis merely increase costs and raise prices. For these reasons we suggest that to prevent a general rise in interest rates, with its inflationary results, the government should take action to prevent such a rise by using the powers conferred on it by the British North America Act. This would not only control the inflationary effect of high interest rates but would enable the government to take steps to allocate credit to areas which might otherwise be starved, such as housing, and enable us to set some social goals.

Earlier this afternoon the minister told us that the government was seeking to curb inflationary measures by cutting down public expenditure. He went on to say that he was using persuasion with those in the private sector of our economy. I can tell him that in my part of the country his persuasion does not seem to have had very much effect. On the outskirts of the small town in which I live on Vancouver island, two enormous shopping centre complexes are being built at the present moment, one of them costing over $11 million. We already have five shopping centres in the area. Evidently, the minister was not able to persuade these people to defer their expenditures. He preferred, rather, to cut down on the expenditures of government—to take the position that those who own and control supermarkets can spend anything they like, but that Canadians acting in concert to develop amenities for their own purposes must not be allowed to do so. I think the minister had better take a correspondence course in persuasion, since his efforts have obviously had no effect whatsoever on those who control the private sector of the economy.

I would hate to be a Liberal tonight. It will be very difficult for them. But I have a suggestion I should like to pass on to the minister—it came from one of my colleagues. He suggested that since we are not to have medicare now, why not postpone it until 1969 and make it a nice, round, half-century since the minister's party first promised it to the people of Canada.

I have tried to place the question of inflation and the rising cost of living within the total framework of our economic possibilities in Canada. I wish now to place it within an even wider context. There has been a long continuing debate—perhaps "muttering" might be a better word—among certain hon. gentlemen opposite and I take it that the present Minister of Finance is on one side of this debate, or muttering, and that the former Minister of Finance is on the other. It is a debate between nationalism and continentalism. There are those on one side who tell us that as next door neighbours to the United States, as those who share this rich North American continent with the United States, we must adjust ourselves and our economy to the necessities of continentalism even at the expense of our national identity.

• (8:00 p.m.)

Then we have those on the other side who suggest to us that while it is true there are a great many benefits to receive from being part of the North American industrial and economic complex, we must preserve our national identity even at the cost of relinquishing many of the advantages that might come to us through continentalism.

It seems to me that this is too simplistic, too black and white, too much the concept of

either or. I suggest to the minister through you, Mr. Chairman, that if he will just proceed with policies that will assist our industrial productivity potential, and at the same time not allow the private sector to waste resources, if he will take positive steps to curb that tendency, then we can hope to lay the foundations of a policy which will enable us to gain the benefits, and they are undoubtedly tremendous benefits, that accrue from being part of the North American continent, next door neighbours to the richest and wealthiest nation in the history of the world.

But we are not going to do this as long as our Minister of Finance sits back and, without a shred of evidence, tells us that we have reached the limit of our productive capacities, that we must not expect to go on as we have been doing, and yet at the same time we have only to look around the private sector and see the gross extravagance and misuse of resources. In this situation the minister relies on persuasion to get them to stop doing these nasty things, and they pay no attention to the minister, just as I would not if I were in their shoes. I would only pay attention to a minister who is decisive enough to say, "This is a control that is going in and it is going to have the force of law; and that is that."

An hon. Member: Didn't the government do that with the railway workers?

Mr. Cameron (Nanaimo-Cowichan-The Islands): That is different. The people who on shopping centres and high-rise apartments, and all the other more spectacular aspects of the affluent society, are in a different category than your friends the railway workers. I am surprised that you mention such lowly creatures here in this context. They must not be treated in the same way. But seriously, Mr. Chairman, I am appalled that the minister is prepared to advance today in this house, in 1966, the old shopworn ideas that did not work in the past and which he hopes will work in the future.

I would remind the minister, since the hon. member for Qu'Appelle failed to do so—I know why he failed to do it—of what happened to the Conservatives when they brought in their austerity program, and cut back on all public expenditures in the hope that they were going to contain inflationary pressures.

Mr. Sharp: That is not what they did. They were so irresponsible that they had a financial collapse.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Knowles: A political one, too.

Mr. Cameron (Nanaimo-Cowichan-The Islands): It was not exactly a financial collapse; but what I am afraid of is that we are going to have a social collapse in this country.

I would like the minister to examine the propositions I have put before him tonight, to ask himself very seriously whether he has made any examination of the structuring of our industrial economy, and whether he has any evidence that we have reached the ultimate in our progress because, if he has not, then he has no right to come before the representatives of the Canadian people and tell them the Canadian people are too lazy, too stupid and too dishonest to take advantage of their unexampled opportunities as inhabitants of one of the richest countries in the world.

I hope the minister will consider this. I hope that the violent reactions he is going to get from his reactionary speech tonight will make him realize that the government in dealing with inflation must not rely on sudden, ad hoc, violent fiscal and monetary policies because they won't work, but must seriously examine the whole structure of our society and decide what steps the government can take to rationalize it, to increase its productivity and to lay the basis for a wealthy society that no longer will need to tolerate slums, poverty, deficient education, deficient health services, and all the things of which every decent Canadian is ashamed of today. I hope the minister is not so sunk in his 19th century orthodoxy that he will refuse to look at these things.

I shall conclude by telling the minister this incident. When he was speaking in the house in the debate on the Bank Act I had a friend here from a foreign country who, to my mind, was not particularly progressive or leftist. He listened to the Minister of Finance and when I went to collect him from the gallery and we were walking along the corridor he said to me, "But, but, but I don't understand. Your minister comes right out of the 19th century. How can you have any planification"? I said, "My dear man, we have no planification because our minister and government do come straight out of the 19th century". Mr. Chairman, I suggest they try to move into the 20th century before the last part of it disappears.

• (8:10 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, we listened closely to the Minister of Finance (Mr. Sharp) this afternoon when he informed us of the government's plans to meet the financial conditions now prevailing in Canada.

In order to check inflation and try to prevent economic chaos, the minister proposed this afternoon certain measures which will require further sacrifices from the Canadian people, and mean, in a word, that they will have to tighten their belts once again in order to avoid the worst. It is always the same old story year after year; the Canadian people are asked to make sacrifices, to do without such and such a thing in order to establish an economic balance according to the requirements of the monetary and fiscal system existing in our country.

The minister said this afternoon:

> We have had a long and strong economic expansion in the past five and a half years. It has carried us from a condition of serious and persistent unemployment to one of widespread prosperity and virtually full employment. There is still too much unemployment in certain areas of Canada, and among those who are poorly educated and unskilled but this arises from reasons other than a shortage of opportunities in Canada taken as a whole.

It is no doubt because there is no shortage of opportunities that workers are transferred from one place to another, 1000, 1500 or 2000 miles apart.

And he added:

> Total expenditures of money by consumers, by business, by government—and by those who want our exports—are now more than adequate to support a healthy level of economic growth.

The minister admits that the demand is more than adequate to support a healthy level of economic growth.

But he contradicts himself. The government has been in contradiction since it came to power. Last week, we were considering two bills: Bill C-230 to provide for the resumption of operations by the railway workers by granting them an increase of 18 per cent in wages. At the same time, we were being presented with bill C-231, to authorize in proud terms, the railways to increase their freight rates, which will obviously bring about a further increase in the cost of living. The government asked us to pass the two bills last week and, this week, the Minister of Finance (Mr. Sharp) keeps on repeating his gospel:

> Speaking generally, Canadians have been very impatient to get on with very many things both directly and through their governments—and now, we are paying the price of trying to do too much all at once.

Mr. Chairman, I do not know who are the economists advising the minister of Finance or the government, but it seems to me these are direct contradictions, from A to Z, from the first to the last page of the epistle which the Minister of Finance presented to this house this afternoon.

The minister continued:

> As a result, we have had accelerating increases in prices and costs, accompanied by urgent and pressing demands by special groups for more income, using whatever means are open to them.

At this point, the minister was alluding to the recent rail workers strike and to other strikes in every sphere of the Canadian economy.

The minister also said:

> We have now reached a position that is unstable.

Last week we were in a stable position; this week we are in a position that is unstable. This reminds me of what the Liberals said in the province of Quebec during the last election campaign: For a stable government, for a stable economy, for a stable country, vote Liberal.

I see the hon. member for Mercier (Mr. Boulanger) is applauding; it is because this is way over his head.

Mr. Chairman, what does stability mean? According to the dictionary, the word "stable" means something that does not move, that does not go forward, nor backwards, nor sideways. This is about what we have with the present government A government which contradicts itself from week to week, ever since it took over the administration of the affairs of Canada.

And the minister adds:

> The present trends just cannot continue for long into the future. We cannot all get what we want.

I would like to ask the minister's secretary to be careful about the French translation next time. Words are missing, sometimes, and it should be a perfect translation of what the minister said this afternoon. In any case, I am using the French text and here is what it says further:

> We cannot get all that we want.

We cannot.

If everyone tries there is going to be an excessive rise in prices and in costs because right now the country just could not—no matter how hard it tries—produce enough to meet all the demands.

Mr. Chairman, the Minister of Finance knows that this statement is inaccurate; right now in Canada there is not a single industry which is not capable of increasing its production.

The farmers in the province of Quebec are literally starving because their production is not selling. And yet they can increase, multiply, triple, quadruple and quintuple their production as early as next year if the government will give them the assurance that their production will sell.

The minister has just told us that we cannot produce more. In the clothing industry in the province of Quebec, as well as in other provinces, plants had to close their doors because they could not sell their production. And the minister tells us that we produce everything we can.

The automobile industry, and I know what I am talking about, can increase its production as early as next year, if it is assured that its cars will sell.

In the field of farm machinery, in any field of national production in fact, our production can increase and double within a short time.

The Minister of Finance and Receiver General tells us that we cannot produce enough to meet all the demands. It is not the demand that cannot be met. Finance is to blame for the failure to distribute goods and services in Canada to those who need them. The minister does not have the courage to cut into the monetary system, he prefers to cut into private industry, among individual Canadians who are building Canada, rather than among the financiers who are destroying and swallowing Canada.

The minister goes on to say:

Let us bear in mind some simple facts. We are now producing about all we can in Canada this year.

One more mistake and, tomorrow, all across Canada, newspapers will spread the minister's comments. But these same newspapers will shy away from reporting the comments of those who are pinpointing the real source for the "inflationary" situation in which we find ourselves at present.

Mention of this will be avoided; people will be told to tighten their belts. Why? Because important newspaper owners are financed in exactly the same way as the government, namely by the controllers of the economic life blood of the country, without whose permission nobody can breathe anymore. The Minister of Finance thinks he is supposed to tell the Canadian people to tighten their belts and keep from breathing for a while, for the sake of Canada's economic stability.

[Mr. Caouette.]

The Minister of Finance goes on to say that our productivity is growing by 2 or 3 per cent per year and he adds:

Our labour force is growing at a rate of a bit over three per cent a year—and is becoming better educated and trained. Our productivity—the volume of goods and services per worker that we can produce—is growing somewhere between two and three per cent a year over-all. Canadians can expect an increasing standard of living—on the average—which increases at a rate that bears some relationship to their average increase in productivity—say about three per cent a year over a long period.

Would the minister wish to make a comparison at this stage? It results in an invitation to the workers not to demand a wage increase beyond three per cent, that is to say no greater wage increase than the increase in productivity.

Is the minister very conscientious when comes the time, for instance, to portion out the federal budget? When we see that, for the year 1966-1967, 14.9 per cent of each federal budget dollar is paid to financiers solely to cover the interest on Canada's debt.

• (8:20 p.m.)

Has the minister ever considered discontinuing payment of this interest over a period of "x" months, namely until Canada's economic stability has been regained? Let us discontinue payment of interests on the debt. If we ask the workers to tighten their belts, the mothers to refrain from buying what their families need, the aged not to ask for an increase of the old age pension, because that would contribute to inflation, is it not true then that the interest paid on a flictitious national debt is, in fact, contributing to inflation? A billion and a quarter, this year, in interest on the national debt alone. Why did the minister not make the statement, on an additional page which could have been page No. 10, that from now on no interest will be paid if it stems from our financial system which is strangling Canada?

If workers, families, businessmen and manufacturers are asked to make sacrifices, big financial interests should not be spared, and then the Minister of Finance will have shown courage.

Some hon. Members: Hear, hear.

Mr. Caouette: Mr. Chairman, on page 3, the Minister of Finance goes on to say:

There are laws to prevent business from combining to increase or maintain their prices and profits.

There are laws to prevent this. There is no law, for example, concerning the workers; they may go on strike, and the minister says that there is no law preventing them from striking or asking salary raises if they wish to do so.

Yet there are laws "to prevent business from combining to increase or maintain their prices and profits." But when did the minister use those laws to control businesses combining or agreements to maintain or increase prices and profits? Prices are fixed; if someone is found out, he is sued in court and fined $25,000. When those people have made perhaps thousands of dollars in profits, as the minister mentioned here, they are fined $25,000 and then they are told to go on. So they continue operations. If there were a law whereby these people who are ruining the consumers could be imprisoned, do you think the government would not be more successful than it has been since coming into power? This does not date back to 1963.

In 1946, 47, 48, 49, we faced the same situation following the war. In 1956, there was a recession. The Conservatives came into power in 1957. In 1961, there were one million unemployed in Canada; 208 Conservative members in the house could not deal with unemployment nor restore economic stability in Canada.

Mr. Chairman, this does not go back to yesterday. It is always the same, everything must always be done over again. Like the Prime Minister and like the finance minister of the former government, our economists have advised us to stop giving a $500 bonus to whoever builds a house in winter; they have told us to stop spending; our economists in the Bank of Canada have told us to do this or that. All their recommendations have tended to belittle the individual, the worker helping to build the country.

The minister continues on page 6:

I think the monetary policy of the Bank of Canada has been well conceived and skilfully applied, despite the very difficult circumstances with which it has had to cope.

Before the house adjourned in July, were we not presented with a bill to allow banks to raise their interest rate? Was not a resolution also presented to allow chartered banks to multiply, not by 12 but by 14, their reserves in the Bank of Canada? Is the government scrupulous as to this? No. The Bank of Canada is proceeding skillfully, "despite the very difficult circumstances with which it has had to cope", and this, when the Bank of Canada does not even assume its responsibilities. Mr. Chairman, I have proof here. A short time ago, on July 21, the newspaper *l'Action* published the following statement made in Washington by the Secretary of State for External Affairs (Mr. Martin):

Canada made known yesterday its intention—

Mind you, "its intention"—

—of reducing the cost of money loaned to developing countries.

Let us increase the cost of money here in Canada, but let us reduce it for developing countries.

The Secretary of State for External Affairs, Mr. Paul Martin, speaking before the members of the O.E.C.D., said that Canada will reduce by three fourths of one per cent the administration costs applicable to low interest loans.

Low interest means that we have actually loaned money without interest to some countries, including the West Indies, to build sewers, roads and houses. Canada has loaned money. But the paradox is this: Where do we find the money to lend it to Jamaica, the West Indies and all the other countries? We borrow it at high interest rates, whereas we lend it wothout interest to developing countries. I have never seen such a stupid thing. Canada is not yet completely developed, it is still being developed, and the minister informs us that we must postpone certain government projects, in short, that we must back out of certain material projects for lack of financial means. Let us wait until later when the economic situation has improved.

The Secretary of State for External Affairs also stated:

This means that Canada's contribution to development will be interest free loans repayable over a period of 50 years, with 10 years of grace.

That means 60 years, Mr. Chairman. When Jamaica starts paying us back, the Prime Minister will have reached 130 years of age. But at the age of 130 years, he will not be here, but others will be here who may have to do then what we have done not long ago for Britain which could not pay back the $2 billion; that is let them pay it back in the year 2003.

Jamaica will act in just about the same way.

Mr. Chairman, it is not that I oppose the aid we are in a position to give such countries, it is only that I object to having the Minister of Finance imposing upon us in Canada, upon people who have not enough even now, restrictions which no one thinks of imposing upon the financial system. That is revolting.

Reverting to the quotation from the article:

He spoke before the delegates of industrial nations supplying 90 per cent of foreign aid last year, which, including the communist countries last year totalled $11 billion.

That is $11 billion last year, in 1965.

As for the chairman of the World Bank, Mr. George Woods, he was highly critical yesterday of the aid given by industrial countries to developing countries. Mr. Woods stated that the amount of financial assistance to developing countries was inadequate by any reasonable standard. Since 1961, the level of net expenditures in capital funds of the O.E.C.D. member countries for underdeveloped countries has remained steady at approximately $6 billion per year, he said, and compared to the increasing revenues of O.E.C.D. countries, such expenditures have fallen from 0.8 per cent to 0.6 per cent. Exportation of private capital has increased but the major part has gone to few countries, and very little to the poorest countries.

The Chairman of the World Bank, whose statement was in strange contrast with the relative optimism shown before by the chairman of the committee, Mr. Willard Thorp, and the United States Secretary of State Mr. Dean Rusk, stated that the conditions for granting assistance tend to become more and more difficult—

That is why the Secretary of State for External Affairs said that while we were charging three quarter of one per cent for administrative costs on loans spread over periods of 50 years, with periods of grace of 10 years, there will be no more interest or administrative costs. We will pay ourselves, here in Canada, the administrative costs.

Mr. Chairman, it seems to me that the Canadian people are being laughed at; a monetary policy is in use for foreign countries, a foreign policy definitely out of date for Canada, and the members of Parliament act as weathercocks according to statements which are an insult to the Canadian people.

The Minister of Trade and Commerce, Mr. Winters, said not long ago, in March 1966, as can be seen in *La Presse*:

Canadians should restrict their demands on the federal treasury.

Everything indicates that we can expect another year of economic progress for Canada, keeping in mind, however, that inflation remains a constant problem, said the Minister of Commerce, Mr. Robert Winters, speaking before the Canadian Club in Toronto.

The deficit in the balance of payments, which amounted to 1 billion dollars last year, will be higher this year.

That means that our deficit will exceed $1 billion this year.

I continue:

Mr. Winters said he was concerned about the fall in the sale of Canadian surpluses on foreign markets.

The Minister of Finance said this afternoon that we cannot produce more than we are now producing, that we cannot produce enough to meet the demand. That means that our production is not high enough.

And now the Minister of Commerce goes to Toronto and says that we are worried about our surpluses in Canada.

• (8:30 p.m.)

One tells us that Canada is not producing enough, that there are not enough products, and the other states that he fears we might not sell our surplus products. Who is making sense in this matter? Of the two ministers, who is lying? The Minister of Trade and Commerce or the Minister of Finance?

An hon. Member: Both are liars.

Mr. Caouette: I think so.

Mr. Chairman, again I quote the article:

Mr. Winters said he was concerned about the decline in the sales of Canadian surplus products abroad. It is important to maintain costs and remain competitive on foreign markets.

Because taxes are an important part of costs—

That is right; remove taxes and costs will go down.

And the minister goes on to say:

Canadians should not ask so much of the federal treasury.

Canadians want nothing from the federal treasury, except what they are entitled to by the work they do to build their country, nothing more. They are not so demanding; the government is expecting more from the Canadians than the Canadians are expecting from the federal treasury.

The minister continues as follows:

If we want to avoid creating too big a gap between our taxes and those of the countries with which we are competing, the government should carefully select its spending programs and remain indifferent to pressures to spend more than it can afford.

How much can we afford? Is this, in fact, not determined by our capacity to produce?

To the extent that we produce, should we not create the capital which would enable us to sell our products? Our Canadian monetary system is only as strong as the Canadian production made by Canadians. There is no doubt about that. The more we produce, the more credit there should be available and, not restrictions on credit. And as I said a while ago, there is no economic sphere in our country unwilling to increase its production.

This is what the Minister of Trade and Commerce (Mr. Winters) added:

> It was hard for the Liberal members of the House of Commons to vote against the motion recently put forward by the opposition, to increase old age pensions to $100 per month from $75, as at present.

Hard as it was, the minister will tell us why he voted against a pension of $100 per month. He is very frank about it. He did not ask himself: Can Canada produce clothing and food to dress and feed adequately our older citizens, or build houses to accommodate them properly? That is not what the minister asked himself before the Canadian Club in Toronto. No, he explained why:

> We wish we could have done it—

We would have been pleased to give $100 instead of $75.

> —however, since it would have cost $800 million per annum and also since, even in the present circumstances, it is difficult to find enough revenues to cover our expenses at their present rate, this additional amount would have strained our economy to a point difficult to cope with.

This is the answer or the statement given by a minister regarding our senior citizens. But did the same minister oppose the interest-free loans that have been granted to foreign countries in the world?

Mr. Chairman, possibly the members of the government, the Minister of Finance, in brief, some people still find facetious the solution advocated by Social Credit—

[*English*]

The Acting Chairman (Mr. Cameron (High Park)): I regret having to advise the hon. member that his time has expired.

Mr. Caouette: Two minutes?

The Acting Chairman (Mr. Cameron (High Park)): Has the hon. member leave of the house to continue speaking?

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette: Mr. Chairman, I will not take advantage of my hon. colleagues' kindness and I thank them for this favour; I will not abuse their generosity.

Mr. Chairman, I have this to say: people may laugh at the suggestions made by the Créditistes, suggestions coming from the Social Credit party, Mr. Chairman, but if there are other workable and logical answers, it is time for members of the government to bring them forth. It is time for members of the government to stop running around in circles, always getting the same results. It is time members of the government went after the real troublemakers, namely the financiers; they are the ones responsible for inflation, and responsible for misery in times of plenty, responsible for poverty in many areas of Canada. The hon. member for Lotbinière (Mr. Choquette) brought up the question at noon, and he was right; I congratulate him for the question he put on the order paper.

Mr. Chairman, we speak of war on poverty. How is it that the government who has promised us to wage war on poverty is today asking us to tighten our belts, rich and poor alike, or simply calls for more poor people, as my colleague from Roberval (Mr. Gauthier) says, instead of making war against poverty? These statements which the minister made this afternoon mean a war against the poor; war against the poor people, that is the path along which we are presently treading.

Mr. Chairman, when a financial system is elaborated which at all times will place in the hands of the Canadian people a purchasing power corresponding to Canadian productivity no more but no less, and when we resort to the distribution of a national dividend based on this productivity, made available to each and everyone of the Canadian citizens, we will have accomplished something. In one year it will be the same old story, in two, ten years we will still be faced with the same gaps, the same situation, just as we have had to put up with this situation ever since Confederation. We will not give relief to the Canadian people with debts and interest on imaginary debts; we will help them by turning over to them what is theirs by right and in justice, and this is what members of the Ralliement are trying to do.

The only thing I wish is that members on both sides of the house consider other proposals than those brought forward by the minister. Let hon. members propose something else; let us stop imposing sacrifices and let it be clear, once and for all, that Canada is capable of providing an honest affluence to each and everyone of her citizens, that Canada is capable of providing security with personal freedom.

• (8:40 p.m.)

[*English*]

Mr. Thompson: After listening to the statement of the Minister of Finance this afternoon, Mr. Chairman, and the speeches of the representatives of the different parties on the opposition side, I can only say that this is a discouraging debate upon which we have now entered. It is discouraging because as we look back at the last election campaign and the one previous to that, we find that we were told over and over again that the Liberal party had the answer to the economic problems of this country. They were going to completely reverse the trends of recent years and we would be on our way to perpetual prosperity. After listening to the Minister of Finance, I find that he has actually become an apologist for the very policies he used to criticize. It is obvious he has been unable to come up with anything different. He says that we must tighten our belts; that we are now headed into a dangerous economic period.

It is stated that Canada now faces the worst inflationary spiral since the end of the last boom in 1957. Today the Minister of Finance lined himself up with those who see a great economic crisis just ahead. He has joined with those who see disaster, and well he should because if we continue as we have been without coming up with a different type of financial policy, whether it be fiscal or monetary, we are headed for economic disaster. In order to ward off this danger, the government has reversed its policies of less than a year ago. It has become painfully obvious now that in the internal struggles in the Liberal party so far as financial policies are concerned, the orthodoxy of the Minister of Finance has come out on top. It is not a very happy picture, Mr. Chairman. If this so-called inflationary situation should continue, the Canadian people will be robbed of millions of dollars. Those who live on fixed incomes, those who are not able to do anything about increasing their earnings, such as old age pensioners and farmers, will find themselves in a more difficult situation.

The end result will be that we will be completely priced out of the world markets. We are going to find ourselves suffering from a lack of markets and from unemployment. I am convinced that unless something different is tried, unless some different financial policy is implemented, then it will be only a matter of months until we will be in the same position as Great Britain is in today. I agree with the minister when he says our basic economic problems are twofold. The first is the longer term problem of educating and adapting our great labour force, as well as improving our capital resources to meet the opportunities present in our modern world. Second, there is the shorter term problem of preventing excessive total expenditures, excessive increases in prices and costs of production. True, within the framework of the policies the minister outlined in his first budget, and as he outlined again tonight, these are our basic problems.

However, they need not be our basic problems if we had different financial policies. We, in Social Credit, disagree completely with the proposed cure. As we interpret what the minister has said, it seems to us that he is intent on only diagnosing the symptoms of the disease and not considering its source. the basic cause of the economic sickness that is presently upon us is completely ignored. In no way is he coming to grips with the basic problems. If this course is continued, then in my opinion the affluent Canadian society faces a financial crisis that will make the thirties look like a picnic. Because of the uncertainty that is evident within the economy today, and the prospect of a bust following the present boom, we could tip over into a depression. Then, our financial institutions, as they exist today, would collapse and 75 per cent of everything we own, along with the mortgage companies, would be lost. This country faces a pretty grim prospect.

The minister says that the Canadian people will suffer if a continued boom should lead to a bust. Why should there be a continuous boom and bust cycle in the economy with the tremendous resources that we have, with our ability and our know-how, with our ability to consume and with the markets of the world reaching out to us? Why should there not be a continuous development and growth in our economy? So long as we continue to use the policies that are advocated by the present

government, and they are basically no different from the policies of the administration before them, we face the prospect of a continuing boom and bust cycle.

What we have been trying to say for many years in Social Credit, and we say it again now, is that with a different fiscal policy and with a logical monetary policy—you cannot separate the two—there is absolutely no need for the boom and bust cycle of the present orthodox economic policies that we have had since long before world war I. Until we wake up and realize that there is a new approach; until we understand that the old system that has been geared to production, while it has performed a useful purpose in the past, is inadequate to meet the problems of a society that has solved the problem of production; until we face the basic problem of distribution, then we will continue to bungle along toward the economic chaos and confusion that threatens us today.

In his statement tonight, the minister said that we are now producing about all we can in Canada this year. This is a false statement, Mr. Chairman. We can increase the productive capacity of this country by 50 per cent within two years. We would not have to worry about where we were going to get the resources or where we were going to get the manpower to do it. Just the other day, I was reading a report from one of our automobile manufacturing companies. This report stated that company could increase the productive capacity of its factories by 50 per cent and not add more than 10 per cent to the labour force, and without adding any new equipment. It is untrue to say we have reached our productive capacity in this country. The things that people need to live form just a fraction of our potential productive capacity. In a world that is starving, in a world that cannot find enough to meet the needs of its people, the greatest challenge that faces Canada is to move out and become not only the breadbasket of the world but the source of know-how to help other countries increase their own food production. This is our challenge; this is our world mission.

We are faced with the prospect of one of the largest grain crops we have ever had in Canada. We could produce to capacity in every area of agriculture within a couple of years if we could be assured of the markets that are waiting beyond our shores. There are millions and millions of starving people today in the southern hemisphere and on the Indian subcontinent and many other parts of the world who need what we have.

• (8:50 p.m.)

The minister talks about price controls. During the war price controls worked pretty well and perhaps they were necessary in a wartime economy. But do we have to resort once more to controls which not only limit our production but also our distributive capacity, simply because we refuse to face up to the basic economic reforms that are necessary to make a system which has been developed over the years just a little bit better, and which put it in tune with and on the same wavelength with automation and cybernation, which come to us as a blessing?

When I hear hon. members talk about full employment it seems to me they are closing their eyes to the facts. What we should be looking for today is not for the myth of full employment but for full unemployment. That is the blessing that can come if only we can use the productive capacities which we have developed and which are at our fingertips. The fact is that the day of full employment in the sense of working a 40 hour week 12 months in the year will have gone, if we can put our productive capacity to work.

With our ability to produce ought to come that leisure which will improve our culture, which will permit us once again to enter into the era of art and refinement and cultural development for which we do not have time today as we try to survive and keep enough food in our stomachs and sufficient clothes on our backs.

The minister talks of restricting expansion. He has cancelled the medicare program of the government. Why did he not cut down government expenditure last March? He outlined in his statement today that government expenditure this year is going to be $8,600 million. True the government has cut back on certain phases of development. I believe what if we really wanted to get down to help the present situation we are facing under the orthodox framework put forward by the minister, the first step would be to control and to hold steady on government expenditure.

In his statement today the minister said that the anticipated deficit is $300 million. What happened as a result of the first budget brought down by the minister? Income tax was increased for six persons out of ten; business has been forced to put 5 per cent of its cash into compulsory savings; it restrained new projects. Yet the minister brought in a

budget which showed an increase over the previous year's budget of approximately 10 per cent.

These are questions which are difficult to answer. I believe that we have to come back to basics. There is a lot of talk about inflation. The word "inflation" is used by the minister and by every newspaper today. Every speech relating to the economy of the country includes the word "inflation".

Inflation in its true sense means that we have too much money. Too many dollars are chasing too few goods. We do not have inflation in this country today in the orthodox sense of the word. To use that word is to raise a banner which gives a false impression. What we have today is tight money—deflation.

As far as our monetary situation is concerned—and inflation usually means money problems—what we have is deflation, not enough money to finance the development of our resources and to carry on the expansion of our industries, to finance our trade policies, particularly as they relate to some of the newer nations of the world. But we do not have inflation.

In this regard I agree with the hon. member for Nanaimo-Cowichan-The Islands when he says that the government is going to have to decide whether to face up to an economic problem which really is inflation, or whether it will have to face up to something else which is sending the cost of everything which we buy higher and higher. If it is inflation that we have, it is an inflation of prices, an inflation of our cost of living. It has nothing to do with the inflation of money; it has to do with deflationary monetary policies.

It was also said that we must deal with fiscal policies, placing the emphasis there rather than on monetary policies. It is the government which decides both financial policies and fiscal policies, and the two cannot be separated. Until we bring in financial reform and combine the two with some logical fiscal reform, the problem will never be solved.

I believe that if we are to face up to the realities as they present themselves today, we will have to quit hiding behind phrases which deceive the public and which coerce them to go along with policies which perhaps are necessary within the framework of orthodoxy that the minister presented to us tonight but which are absolutely unnecessary on the basis of logic and reason.

What we are facing in Canada today is a price explosion. Our cost of living goes up and up. I want to say right now that at the root of this problem is the debt system. The hon. member for Qu'Appelle made an eloquent speech but he did not get down to any different approach. He merely talked in political terms so as to defend what happened under the last administration in light of what is happening now.

[Mr. Thompson.]

During the less than five years of that administration there was a governmental deficit in the country on the federal level as it relates to direct debt, foreign debt and balance of trade of more than $5 billion. That was accounted for in less than five years, and it now is going on and on. With it goes the cost of servicing the debt. If we did not have to pay the $1,180 million that we paid last year by way of interest, where would our deficit be today? Gone.

Why is it necessary to have deficit financing? If perchance the argument that the minister put forward tonight is correct, it seems to me that the first step which he should take as far as governmental expenditures for which he is responsible are concerned is to balance his budget this year.

In addition to this there is the matter of private debt, corporate debt and mortgage debt. The handmaiden of debt is higher taxation—you cannot get away from that. Taxes will inevitably go up. Behind the inflationary crisis we are facing is this cause. It is neither the profits which the corporations make nor the wages that the working people must demand through their labour organizations, or strikes. These are merely the symptoms of something which is much deeper. If the cost of living continues to go up, then the income in the pockets of the people must go up in proportion, or their standard of living will go down.

Along with this is the simple fact that we operate in this country on a debt policy which requires deficit financing on one hand and gross indebtedness on the private sector on the other hand, supported by a continually spiralling increase in the tax load that we carry.

Our budget this year at the federal level is over $8.5 billion. When we get the supplementary estimates that we can expect, the figure will be well over $9 billion and on the way to $10 billion. If we combine this with the cost of municipal and provincial government in this country we reach a figure that is not very far short of $20 billion for governmental expenditure alone.

We in this country are grossly over-governed. Compare that figure with the net national earnings in this country—not the gross national product but net national earnings, money coming into the pockets of the Canadian people, whether by way of commissions, the sale of produce, salaries, or what have you. Last year this figure was about $41 billion. Let us suppose that this figure increases by a reasonable amount this year; to be liberal in our estimate, let us say $43 billion is the figure for this year. What percentage of that figure is taken up with expenditure on government at the different levels? It is more than 45 per cent. In other words, more than 45 cents of every dollar which we earn goes to pay for the cost of government.

• (9:00 p.m.)

History will tell us, if we read history correctly, that no free country, no free society has ever survived when the cost of government has exceeded 50 per cent of the earnings of the people of that society. At more than 45 per cent, this is the problem we face today. This is something that must change. If the minister had really wanted to deal with this inflationary situation as it relates to the cost of living, this situation which has brought about tight money that at the present time we have in Canada, then, I think, the first thing he might have done would have been to hold firm on government expenditures, at least.

Let us look at the picture from a very elementary point of view. It is good to be elementary once in a while. Our problem in Canada is not production. We can produce far more than we are producing. We, perhaps more than any other nation—and I say this even considering the economic wealth of the United States—have solved the problem of production. Neither is our problem consumption. Sure, our standard of living has gone up, but there is nothing wrong with that. If we have the natural resources, the ability and the will to develop those natural resources, why should not our standard of living go up? Why should not every family have a home? There is nothing wrong with having a two-car garage, if that is the standard of living we want.

Our problem is not consumption. Even if we had solved that, and were consuming to our capacity, what about the millions of others in the world who go hungry? No, the problem is not consumption at all. Our problem today is one of distribution. We have not solved the economics of distribution. We are trying to apply those economics to a debt system that was geared to production in the days when there was a scarcity, and when we could not produce enough to meet our needs. We had to adapt ourselves to the conditions of the economy at that time. But conditions have changed.

Bring in a monetary policy which will cure the problems of distribution, and all these problems will disappear, as will the booms and busts of our economic system. Instead, there will be a logical and steady growth, even as every living organism must grow.

Beyond this debt picture that we have been talking about is the monetary policy that brings money into our economy. But the essential function that that money performs is that of a debt. They ridicule us, in this party, for talking about debt free money. But money was never intended to be a commodity. It is because we try to make it a commodity that we find ourselves in our present difficulties. Money is a service, a service through which we distribute our wealth, by which we are able to produce the wealth that others may consume.

It is necessary to bring our financial and monetary policies up to date, in an era where the production potential has reached tremendous heights, where there is automation and cybernation, in order for those to be geared to the distribution problems which we have. Yes, we demoralize our people. We demoralize our people today so that we, who as a people have more insurance per capita than any other people in the world, are not willing to invest our own savings in the development of our own resources. We go out and invest in our debts, instead. We hear criticism about so much United States ownership of Canadian industry. The truth of the matter is that for every per capita dollar the United States invests in Canada, three per capita Canadian dollars are invested in the United States. That is done because we do not have confidence in our own country.

Apply this regionally, and look at the west where productive capacity has expanded at an unprecedented rate, both in relation to the population and the economy at large. We do not even have financial policy here in the east, where our fiscal policies are made, where our financial centres are, to encourage investment in the west of our country.

The other day the government cancelled plans for a pipe line that was to pass through part of the United States, a pipe line that opens unlimited markets for Canadian gas across the border, and would benefit the Ontario user of gas by lowering the price which he would have to pay. In other words, we cut it off. It does not suit our national interest to let it go across the border—never mind the economy. I sometimes wonder if the government is not afraid of another pipe line debate, and rather than let the matter come before the house it disposed of the matter before it got here.

We discourage the investment of our own savings in our own resources. What we need in this country is a stable financial policy that will give us a stable dollar. We have a stable yard; we have a stable pound; we have a stable gallon. Why cannot we have a stable dollar? Why do we have to rob the generations of the future of the savings which have been put away for them today? Why do we have to rob our older citizens, our senior citizens, of their hard-earned savings that they have put away for their latter years? Why should we destroy our own savings? Why are we using a system in which a dollar is a debt dollar, which depreciates in value every year, so that over every ten or 15 year period we know it will be worth 25 per cent less? That is what the cost of living is doing to our dollar today. Why cannot we have a financial policy that will give us a stable dollar; a dollar that is worth a dollar today, tomorrow, next year and ten years from now. It can be done.

One would think with all the ability displayed on the front benches of the government, that something helpful could be defined. I do not care if it is called Social Credit, or anything else. That is not the point. We need a fiscal policy that will work, that will encourage our own people to invest, not in debts of yesterday—no—but in the prospects of an unprecedented productive tomorrow.

Today in Canada our most valuable resource is our own credit. That is something which ought to be used, and used, with the resourcefulness of our own people. Why cannot we use our own credit and our own resources, for the benefit of our own people? That we do not is a paradox.

I would say in closing—my time is nearly up—that the number of ridiculous paradoxes in our economy shows that it is redirection we need, rather than reduced speed. Why dampen the boom? The construction industry is forced to slow down because of manpower shortages. Nevertheless the cost of governmental administration grows by leaps and bounds, to meet the needs of the new welfare state measures. We are urged to buy Canadian assets back from the United States, but the provisions of our present financial policies make it necessary for our industry to turn to the United States for the kind of risk capital it needs. That is why the west is moving forward; it is not because it is disloyal to Canada, but because the financial centres of the east do not have the vision necessary for the nation.

[Mr. Thompson.]

Why cannot we use our own credit, and our own capital. Canadians invest in the national debt because the return is more secure than from an investment in resource development. Though it is necessary to improve our balance of payments problem, tight money policies and taxation tend to put our producers in a non-competitive position. As I say, the problem is not that of production, but rather the facilitating of measures to enable the distribution of what we are able to produce.

An economist recently commented that we are learning to live with prosperity but we do not know as much about managing it as we do about getting there. Our need in Canada is not to hold back, but to move ahead. In the distribution of goods and services we are in a field where we are just beginning to tap our potential. We pat ourselves on the back for being good businessmen, but we rationalize our dollars—those dollars which have been expended, which have been invested—as being good dollars. At the same time our trade deficits grow and our production slows down.

We slow down the building industry. Today, in Canada, apartment occupancy is at 99 per cent. It is easy to cut a building program off; it takes much longer to get it going again. The disposing of surpluses is a narrow and old fashioned way of assessing our tremendous production potential.

• (9:10 p.m.)

What about those many countries which do not have enough to eat? What about world markets for our primary and secondary products? The time has come to institute policies which go beyond the mere sale of surplus commodities or the cutting back of productive capacity.

Finally, we need to make advances in the field of distribution, moving goods from wherever they are produced to wherever they are needed. World trade on a new basis for international settlement presents another challenge. We cannot continue in this regard as we have done in the past in the face of one of the greatest challenges of our generation.

Only when all Canadians have an adequate standard of living, only when all Canadians are adequately housed and properly fed, can we adopt the attitudes which have been expounded tonight and pat ourselves on the back. Only when trading policies are developed which are capable of channeling our surplus goods to the needy populations of the developing countries will we be able to congratulate ourselves on what we have achieved. In the meantime, there are too many things to be done, for us to express approval of the financial policy which we have heard enunciated tonight.

Mr. Grafftey: Mr. Chairman, our primary concern when debating this problem of inflation tonight is its effect upon the Canadian people. While I do not belong to the generation which remembers the kind of inflation which occurred in Germany between the two wars, even those of my years are reminded of those days when the people of Germany had, literally, to take their money to market in wheelbarrows. It is because we recognize that inflation affects each and every citizen of this country that every member of this house is taking the present debate very seriously.

I should like to point out that those who suffer most from the effects of inflation are, almost invariably, the poor—those families which are locked in poverty, deprivation or destitution. Time and time again hon. members belonging to the New Democratic Party have recognized that when inflation strikes it strikes with greatest force at such things as food, clothing and housing, all of them non-luxury items, essential items which vitally concern those who are perhaps less fortunate than ourselves.

What I found most disturbing about the minister's speech this afternoon was the fact—and many hon. members have already mentioned this—that he had decided to adopt negative, old fashioned methods of coping with modern problems. Invariably the solutions he proposed in his statement this afternoon, the horse-and-buggy methods which he has in mind, are bound to adversely affect the poor, the destitute and the deprived more than any others in this country. Those who are living on fixed or on shrinking incomes, those who are already suffering from the serious inroads of inflation, will be even more seriously affected by the measures which the minister has proposed today.

As my hon. friend from Qu'Appelle so ably said a few moments ago, instead of relying on this negative, horse-and-buggy approach the minister should be enunciating a system of positive politics and policies to deal with modern problems.

We are told that the parents of school children will have to pay up to 15 per cent more for school clothing compared with a year ago. That is the amount of increase in the price of shoes and all the other things needed before children can be sent back to school. What about food prices. Last year, processed cheese cost 39 cents a pound. This year the price is 41 cents. The price of cheddar cheese last year was 65 cents. This year, it is 69 cents. A pound of bacon cost 89 cents last year. Now it costs $1.39. Corn cost 35 cents a dozen, peeled. This year the price is 49 cents.

Every housewife who went to the supermarket last week knows these things. A ten-dollar basket of groceries a year ago cost $13.08 today. Is there a single measure announced by the minister today which is likely to alleviate this situation? I say that the negative, bureaucratic methods of approach adopted by the minister will not even begin to solve the problem of inflation which is besetting the Canadian people.

The minister told us: We are doing pretty well, compared with other countries. We hear such things said time and time again. Sir, when I bring this statement to the attention of my constituents and of other Canadians in all walks of life, they tell me they do not care what is going on in other countries. They say it is our job here in Canada to solve Canadian problems. The fact that other countries are not doing well is no excuse for us to say we can do badly. It is rather like finding satisfaction in the fact that a deskmate has flunked his examinations when you yourself have failed. And the minister is going to fail his examination in tackling inflation if he thinks for one moment that these negative policies of his will work out satisfactorily. They will not.

In outlining the principles of inflation the minister told us that basically speaking we

are faced with long-term problems and short-term problems. The long-term problems includes automation, technical training, and preparing our work force for new roles in a scientific age. But though he said these things this afternoon, what were the first two priorities to be cut in the short-term program?

We were told we could expect cuts in assistance to research. We were told that the provision of scholarships to universities would be delayed. In other words, it is as if the minister were telling a runner to put on heavy working boots rather than running shoes before trying to win a mile race.

Everyone in this house realizes that while Britain spends $5 per scientist and the United States between $10 and $15, Canada spends only $1 per scientist. Everyone recognizes that government, which has a vital and genuine role to play in positive policies as a means of combating inflation, will have to increase, and increase again, the amount of its assistance to research.

• (9:20 p.m.)

We have a terrible situation in Canada, where we are losing doctors and medical personnel because we have not supported research in our universities. Yet, of all things, the minister places at the top of his list of cutbacks today assistance to research and education, two primary measures which we must bolster if in a long-term manner we are going to combat the problems of inflation. This is a paradox which I do not believe the government can explain away.

This country is going to be in serious trouble in terms of inflation, in terms of our economic approach to Canadian problems unless we drastically step up our assistance to research; but the government has told us today that, along with postponing assistance to higher education, research is going to get the axe.

I can quite understand the minister saying we must deal with short-term measures; but his negative short-term measures, plus the fact that they interfere with the long-term measures we need to combat inflation, are not the answer. Everybody in this House of Commons who talks with constituents in the lower income brackets, people who have a motivation upwards to better their role in Canada, recognizes that housing, clothing, education and foodstuffs are the main things in their economic picture. But what are we told? Not only does inflation affect the poor, but it is mainly the poor, the deprived and the destitute who are told to buckle their belts in the program the minister has announced.

What the minister told us today in effect is that the reactionary right-wing group in the Liberal party is finally triumphant; and that, Mr. Chairman, is one of the reasons I quit that party 12 years ago. I realized that this was going to happen. I recognized that when loyal and excellent civil servants like the Minister of Finance and half the range of the front bench finally took over control of the Liberal party, along with the rest of the establishment, that would be the victory of the right-wing, and it has happened today. Where are all the young, forward-looking members in the Liberal party? They are not in the chamber tonight supporting the minister, because not for one minute do they believe in the policies he has enunciated.

Where is the Minister of National Health and Welfare ever since he was told summarily this afternoon that medicare was now in limbo?

An hon. Member: Where are those who support you?

Mr. Fulton: Right here.

Mr. Grafftey: They are not behind the curtain, they are in the chamber.

An hon. Member: Where is your leader?

Mr. Grafftey: I believe he is preparing a speech for tomorrow. This is a serious proposition and I shall repeat it in this debate three, four and five times. It is a tragedy that in 1966 the poor, the destitute and the deprived, the people most seriously affected by inflation, are faced with policies that are going to affect them much more than the rest of the country. I say, let no more members get up in this debate, as did the minister and some others, and praise the prosperity of this country. What does prosperity mean to 35 per cent of the people in this so-called rich nation who are living in destitution, deprivation and poverty? We should not be patting ourselves on our backs about prosperity, and we should not be patting ourselves on our backs about the minister's announcement, which will not in one iota assist these people.

I do not want to be a demagogue. I do not want to say it is an easy problem; but I do say, as has been said in this debate already, that the minister's reactionary, out-dated, horse-and-buggy, negative approach to this whole problem—what I call an establishment

approach—will not satisfy very many Canadians when they read about it tomorrow morning.

Rather than emphasize a negative approach, let us talk about the positive things we can do in the short-term and in the long-term to combat inflation. I for one do not believe, for example, that housing should be considered in the cyclical approach to combat inflation. Canada is almost the sole country in the modern western world that has not a public or quasi public approach to housing.

Housing is not always considered as a social welfare measure, but at least in western Eurcpe and in most countries in the modern western world it has never been taken into governmental plans in terms of combatting inflation. Today thousands upon thousands of young and middle-aged Canadians are looking for proper housing, but last year 85 per cent of the housing loans made by C.M.H.C. were to Canadians with incomes of $6,000 and upwards.

What are we doing for the poorer people in this country who want decent housing? Our negative, dinosaur Minister of Labour—God Almighty, when will he resign; it won't be too soon for me—not only has ruined labour-management relations but has no housing policy. He and the rest of the ex-bureaucrats sitting on the treasury benches are telling the poorer people of Canada that because of inflation and their own old establishment method of dealing with it, they are not going to have any more houses.

What is happening today? There are hundreds of thousands of Canadians, young and middle-aged, who are looking for houses, but the government tells them the situation is going to be much, much worse before it gets better because we have to combat inflation.

We are told that medicare is postponed for a year. We are told that the Canadian people will have to postpone the fulfilment of their desires for new housing. In Toronto at present the housing situation is more critical than during the second world war. People in my riding, young married people with families who were born at the beginning of the last war, living on incomes of $65 to $85 a week, are paying $75 to $80 a month in rent for terribly rundown houses; yet for the same money they could be paying regular capital and interest payments for C.M.H.C. financed housing. What is the Minister of Labour doing about it? Absolutely nothing. He is just going to let the thing find its own level, and this afternoon the Minister of Finance said that the situation is going to get worse because housing is a factor we must cut back on in terms of battling inflation.

Who is it that gets it in the neck every time, Mr. Chairman, as a result of such negative, horse-and-buggy methods? It is the poor again, again and again, who are already so seriously affected by inflation and who will be even more seriously affected by the old, establishment, classical method used to combat it.

I cannot find all the statistics I have gathered on this matter at the moment but I do have a note here which says, for example, that in 1961 when Britain spent $3.15 per capita on public housing, and the United States .08 cents per capita, Canada spent only .10 cents per capita. How about that for a record in the housing field, in a nation that pats itself on the back whenever we get on our feet to say we have the second highest standard of living in the world?

The fact is that we have no housing policy for people in the lower income groups. I suggest that the government should devise a public housing policy in the very near future to deal with this problem, because that coupled with what is happening in rising prices for foodstuffs and clothing, all essential, non-luxury items, affect those people who should be least affected in the whole, total picture of inflation.

• (9:30 p.m.)

Sir, as the hon. member for Qu'Appelle so ably said, rather than have this negative approach, this restrictive approach, to the problems of our country in so far as inflation is concerned, we should challenge the imagination of the Canadian people, As a Conservative, I say that we should not talk down to the Canadian people with restrictive and negative policies and only tell them to tighten their belts and this sort of thing. We will have to tighten our belts, but this should not be the be-all and end-all of our policy. We should recognize that the government should emphasize the fact that excellence, quality and specialization should characterize our approach to social, political and economic problems both at home and abroad.

I believe that rather than have negative policies we must emphasize a program of positive politics which simply recognizes the spiritual character as well as the dignity of the individual. Building on that which is best from the past, we should usher in in Canada an age of excellence and an age in which we

enunciate a program of positive politics. We should expect nothing but the best from our nation and from each and every individual citizen.

In tackling the problem of inflation, I believe the government has a dynamic part to play in encouraging individual and national excellence. Let me put before the minister and the house a few basic ideas. I believe, as the minister stated today, that men in public office must be willing to emphasize the duties as well as the rights of the individual citizen. The minister did that and did it well today. But what about research, which received the axe from the minister in his speech. I believe that rather than cut back government assistance to research—one of the long term measures which materially will combat inflation—if we believe that Canada has a role to play so far as national excellence is concerned, the government must immediately increase its assistance to basic research, especially medical research. For every dollar we spend on research the British spend three and the Americans spend 10 or 15.

I plead with the minister not to approach this aspect of the subject with a closed mind. I cannot for one minute believe, when the government has a sober second thought on this, that assistance to research can or will be cut back sharply in this program.

Mr. Sharp: May I ask where I made any reference to cutting back on research. The statement was that the rate of spending on research in Canada must not be as rapid as it might be.

Mr. Grafftey: I do stand corrected when I used the words cut back, but even if it is not going to be as high as expected, I still am very concerned.

I believe this perhaps is delving into the realm of theory, but rather than looking over our shoulder at what is going on in the United States and asking whether their cost of living or standard of living is higher or lower than ours, we in Canada should realize that excellence invariably means specialization and selectivity. We live next door to the United States which has the highest standard of living in the world and too often we are influenced by considerations of bigness. Invariably we enter into areas of activity in which we have no business. If we are to encourage national excellence in a positive way, in dealing with problems such as inflation, we should do so by concentrating on those things which we are by nature best at doing. We should moreover place more emphasis on the quality of our undertakings than on the bigness of our ventures.

As has been said in the house during the railway debate we must seriously consider, and soon, how best we can bring down progressive management-labour legislation in order to help in this situation. I realize the minister has mentioned the possibility that we will have a national income policy. Let us at the next session get down to business and bring these measures before the house in a positive manner as quickly as possible. I recognize the problems the minister has talked about in respect of Canada, especially when enunciating a guide lines policy for wages and prices. Even in the United Kingdom, where they have a unitary state and where the population in this homogeneous island invariably rallies behind government leadership, they are finding difficulty in making the policy work. Here we would have the problem of sharing jurisdiction with the provinces and, as the minister so well said, we do rely on imports and exports, and this makes it more difficult to have a meaningful set of wage and price guide lines. Yet I feel the federal government can and possibly should take the leadership at the next federal-provincial meeting and indicate wage and price guide lines which can be meaningful. This is one more reason that we should convene as quickly as possible a conference to modernize our constitution so that Canada will have a modern constitution to deal with modern problems in modern times. It was only five or six years ago that no minister of finance would have admitted in this house that the federal authority really could not control inflation of prices and wages. The Wartime Prices and Trade Board did have constitutional difficulty in this regard. I think it is right to say that no minister of finance in the last five or six years would ever have said that it is pretty hard for the federal authority to give meaningful leadership in combating inflation in the decade of the 60's.

I recognize the minister's difficulties, but I agree, with Premier Johnson of the province of Quebec that we cannot divorce fiscal matters from constitutional problems. I believe that at the next federal-provincial conference a beginning should be made to tackle th problems in a sensible approach so that we can have a made-in-Canada constitution suitable to modern times, if we ever are to expect the federal authority to give proper

leadership in tackling problems such as inflation.

• (9:40 p.m.)

What else must we do in a positive way if we are to combat inflation, especially in regard to those now living in destitution, poverty and deprivation in Canada? What are some appropriate measures that must be taken? I do not want to be partisan but I will tell the minister that most people who believe in modern methods to tackle the modern problems brought before us by modern inflation have been rather disappointed at the steps proposed. I include in this category many of the backbenchers in the minister's party, who will probably tell him in the next caucus how disappointed they are with the old-fashioned techniques and methods the minister enunciated this afternoon in the House of Commons.

What are some of the remedies we will have to think about in a positive way? First, excessive interest rates must be controlled. Today—and I am now speaking for myself—the farmer can obtain a farm improvement loan at a reasonable rate of interest. These loans are backed by the government and administered by our banks. Household and consumer loans must be established in a similar manner so that the householder may obtain appliances without paying an interest rate which at times is as high as 35 per cent. I believe that this house should seriously consider providing household and consumer loans under a household and consumer loan act if we are to deal adequately with high interest rates and their effect upon inflation. Such a measure would help people especially in the lower income groups. We must recognize that area development, rehousing, retraining, health measures, urban renewal, the building of technical schools, the training and retraining of our workers are all long-term measures that can never be deferred by short-term approaches, if in the end result we are to lick the problem of inflation.

My great fear is that the minister, in today enunciating negative, short-term remedies to combat inflation will diminish for the next year federal support, initiative and interest in all those problems involving federal government expenditure such as retraining, rehousing, rezoning, ARDA legislation and the problems that will face us in our large metropolitan areas and such as decentralization of industry into rural and suburban areas. The hon. member for Red Deer a few minutes ago was decrying the fact that government—

The Chairman: Order. I apologize for interrupting the hon. member but his time has expired.

Some hon. Members: Carry on.

The Chairman: Does the committee give unanimous consent to the hon. member to conclude his remarks?

Some hon. Members: Agreed.

Mr. Grafftey: I would just like to say that the hon. member for Red Deer, the leader of the Social Credit party, was decrying the fact that government expenditure had become so large, and he said that no nation in the past has been able to survive these kinds of expenditures. I would point out, Mr. Chairman, that no nation in history has been confronted with the modern problems that confront modern governments. Whether we like it or not, big government—whether we are left wing, right wing or in the middle of the road—is here to stay and we will have to accept this fact. More public money will be spent and the money will have to come out of the taxpayers' pocket. Therefore long term measures must be taken to combat inflation and help those who need help in a country, especially where the silent, voiceless poor often do not fall under the aegis of private or public help.

It is my hope—and I am being partisan when I say this—that we shall not compound the felony of the minister's announcement of this afternoon. Not only will his short term, negative measures not work in my view, but I am concerned that they will have a negative result on the long term, basic measures which ultimately will combat inflation.

I hope the government will have sober second thoughts. The Canadian people in business, labour, farm groups, taxpayers and everybody else are ready to tighten their belts in the national interest. But the Canadian people realize that, basically, only positive policies will solve this problem. But this is not the message they got from the minister today. I hope that the triumph of the right wing side of the ministerial benches will be short lived and that the grass roots members in the party opposite will soon rear their heads and the real national interest will be served.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I listened very attentively to the speech made this afternoon by the minister and the remarks of the spokesmen of the various opposition parties.

I try, considering everything that has been said, to form an unbiased opinion, to understand the problem facing the House of Commons, which is to find a solution to inflation which is rampant.

The minister made a statement this afternoon which I find courageous and realistic. The minister admits that he has not succeeded in finding a panacea or a cure-all to that current world-wide disease known as inflation. He made that diagnosis and, after consultation with his colleagues, with experts of his department and probably with experts of foreign countries whose economy is closely related to ours, he proposes to the House of Commons measures which I find acceptable.

On the other hand, I hear remarks of all hues and shades from the opposition, and I think that this is democratic government at its best since it is the role of the opposition to stir up the government, to keep them on their toes, to force them to be most efficient and to reconsider their political philosophy, and to make some suggestions. But I still conclude, Mr. Chairman, that the responsibility in this inflation period rests upon a duly elected government and if the government should adopt all the opposition's theories, it would find itself in a false and awkward situation, for those theories do not seem consistent to me, and are even contradictory in many cases. So very candidly, I decided to repose my confidence in the government who has the responsibility, I might say a special grace, and I will even add, who can count on the advice of an army of experts not only in Canada but in other countries.

I would say that the opposition suffers from two complexes: a complex of partisanship which is understandable because when one is a member of a body whatever it may be, one must show its colours; that is understandable. I see some members in the opposition who look intelligent and are somewhat embarrassed to be forced to stand up for their party when in their innermost heart, they admit that the minister's solutions are very realistic. I also noticed in the opposition another complex, a complex of superiority. We lack the minister's wide experience, since he spent many years in that department before entering politics. We do not have the same experience he has, with all those experts and technicians, and through the consultations he can have with financial experts of all countries. But some members rise here and tell the minister that this or that should be done, because they know the answer to inflation. I call that a superiority complex. And I can see in it only one advantage, and it is to provoke the government and compel it to do its best in this financial crisis, limited, if you want, but which threatens to get worse.

I felt that the member for Qu'Appelle (Mr. Hamilton) had greatly weakened his argument when he criticized the government for wasting time with the Spencer case and the Munsinger affair, instead of settling the financial problems of the country.

• (9:50 p.m.)

Having followed federal politics for a number of years, I find some kind of cynicism in this statement because for the last two years I have been observing the official opposition looking for a nigger in the government woodpile, trying to bare real or imaginary scandals. In fact, I have heard with my own ears the insistance shown in the defence of a spy who none the less seemed quite happy with his fate, all of which became the Spencer affair. I have witnessed the witch hunt culminating in the discovery of a witch called Munsinger. I now say that if the opposition had been more constructive, it would have allowed the government to move effective legislation, and it now seems hardly justified to charge them with a waste of time.

The hon. member for Nanaimo-Cowichan-The Islands is an artist who dazzles me. He has a wealth of expressions which is almost unbelievable and for me who enjoys good speakers, I admit I am dazzled by the hon. member for Nanaimo-Cowichan-The Islands. But it may be because of such facility, because of such brilliant and extraordinary gifts he enjoys, that the argument, in the end, appears all the more inconsistent, because he should draw more consistent conclusions than those at which he arrives. I think he must be afflicted with an occupational, or I should rather say a political quirk because he is always nursing an extreme socialistic trend, and I hardly believe the country is ready for that yet. For instance, what he says somewhere struck me strongly: "Tonight I would hate to be a Liberal." because I told myself that tonight he would not be happier if he were a Conservative or a member of the

New Democratic Party, if he had to assume the responsibilities of the government and solve that problem created by inflation which today is an international problem to which the best experts cannot find an adequate solution. I feel that he would not be happier if he had that responsibility. Fortunately, he does not have it and then he can allow himself to dazzle us with a display of brilliant remarks and well-balanced sentences.

Some hon. Members: Hear, hear.

Mr. Mongrain: When I heard the hon. member for Villeneuve (Mr. Caouette) and the hon. member for Red Deer (Mr. Thompson) tell us that the government stated, without any evidence, that we had reached our maximum production, I asked myself some questions. I told myself that explanations should have been given, of course. I think the minister meant our maximum production with the means at our disposal right now. But like everyone else, I read in the newspapers that our industry and our economy are paralysed up to a certain point, because we do not have the leaders we need. We have to import each year over 1,000 engineers or technicians who are the leaders, who put the producers to work in our industry, because there is a shortage of technicians in Canada. It is a brutal fact for which the Liberal party or the Conservative party or the N.D.P. are not responsible, but it is still a brutal fact which we must admit and live with.

I think this shows the hon. minister to be right when he tells us: I think we have reached our production limit with the means at hand. Let us find other ways to increase our production we do not lack resources.

The hon. member for Villeneuve really amuses me. He also enlightens me, for he is tenacious and most inspired. His colourful language is, I think, also interesting for the House of Commons. I am always the better for having listened to him. Before the last election he came one time to speak in Trois-Rivières, and the Créditistes took 4,500 votes. He came twice during the last election; they took 2,000 votes. I shall invite him to come and speak three times at the next elections; they will probably win 200 votes.

Some hon. Members: Hear, Hear.

Mr. Mongrain: I must say, Mr. Chairman, that nevertheless I listen to him with interest, just like the crowds back home who gather to hear him, and then tell me: We are happy with Réal, because he gives us a good time and does not collect any amusement tax.

Some hon. Members: Hear, hear.

Mr. Mongrain: Mr. Chairman, our Créditiste friends give me the impression of being dreamers, of doing what is called wishful thinking. It's nice; I too would like to see our economy re-drawn along different lines, but I do not think one has to take a course in advanced economics to realize the close interrelationship between our financial system and that of other countries of the world to realize that we cannot revolutionize the others, unless there is a response, or a similar movement within the countries which we do business with.

Therefore, blaming the government for not doing that revolution right now is truly indulging in wishful thinking, dreaming a little, Mr. Chairman. For instance, when I hear the leader of the Social Credit tell us: Remove taxes and thus reduce the cost of living, it is simple. Of course, it is a truism: reducing taxes will reduce the cost of living, and at the same time he tells us: Increase family allowances, increase unemployment insurance, pay a dividend to every Canadian citizen.

Of course, if we could, with the help of all the countries whose economy is closely related to ours, make such a revolution, it is possible that that theory might be acceptable, but at the present time I think that it is a dream. I think that we have to cure a serious disease called inflation. That reminds me of a fable by La Fontaine which said: All the animals ill with the plague did not die but all were stricken. Inflation affects all of us, and not only in Canada. The Liberal party is not to blame.

I would also like to take a few minutes to prove that this disease of inflation bears some resemblance to the Spanish flu which we knew in 1918, which struck but did not kill everyone and gave rise to a host of quacks who said: Do this, do that, I will cure you. Quite often, unfortunately, people died instead of getting better. That disease is an international one; it is not raging in Canada only but throughout the world.

[*English*]

May I call it ten o'clock, Mr. Chairman?

Progress reported.

Proceedings on Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

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

BUSINESS OF THE HOUSE—INQUIRY AS TO CONSIDERATION OF MEDICARE AND OLD AGE PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, August 29, I asked the Prime Minister whether we could anticipate something being done about old age pensions in this part of the present session. The Prime Minister's reply was to the effect that the government's legislative program for this part of the session would be made known to the house as quickly as possible.

• (10:00 p.m.)

Then, on Thursday, September 1, I asked the Prime Minister whether he was in a position to reaffirm the government's intention to have medicare in effect on July 1, 1967. The following was his reply:

> Mr. Speaker, as soon as we complete consideration of the railway legislation it is my intention to make a statement in the house about the priority attached to the other pieces of legislation to be dealt with during this part of the session. The medicare legislation will be included in that list.

There were two commitments by the Prime Minister to make a statement to the house on the legislative plans for this part of the present session. On the second occasion in particular, the Prime Minister stated that he would be making a statement to the house and that the list of legislation to be dealt with during this part of the session would include medicare.

Yesterday, in the absence of the Prime Minister, I asked the Acting Prime Minister (Mr. Martin) if he could tell us on what day that statement by the Prime Minister would be made. He asked me to wait until today. I asked the question again today. We had an interesting and amiable exchange, but got no information. I suppose, Mr. Speaker, I will be told that I have had my answer in the statement made today by the Minister of Finance (Mr. Sharp). I suggest that today's statement is not an answer to the questions I put to the Prime Minister asking him for a statement to the house as to the government's legislative intentions.

We have been told, of course, by the Minister of Finance that the government intends to go ahead with medicare legislation.

[Mr. Mongrain.]

Oh yes, we are told it is going to be put through at this session. But the effective date is to be changed from July 1, 1967, to July 1, 1968. I suggest, Mr. Speaker, that this way of stringing the house and the country along has gone on far too long in Canada. With respect to old age pensions, again we have been strung along. Today, the Minister of Finance talked about the income guarantee program, and we know that is the name the government applies to its old age pension proposal. However, today we were not told what would be the effective date of whatever program the government proposes to introduce.

Now, despite the answer given today by the Minister of Finance I still put my question. We, in this house, are conscious of the number of times that this government has had to change its position, the number of times it has had to retreat. I suggest that the public outcry will call for a change on these two points. The government cannot get away with no action, not even a statement to us, on the old age pension question. The government cannot get away with another year's delay in medicare. To say that these things are inflationary is utter nonsense. They are the least inflationary expenditures the government could make, namely money for old people to buy the necessities of life and a medicare program which simply redistributes the way in which we spend our money on medical care.

I suggest, therefore, that my question still stands. May I put it to the Acting Prime Minister, or whichever minister is going to answer it, in this way: Are you going to raise old age pensions in this session? Are you going to stick to July 1, 1967, as the effective date for medicare? Or are you going to let the brunt of the high cost of living fall most heavily on the people with medical bills and on our senior citizens? It is not good enough for the government to pull the rug out from under its ministers, to pull the rug out from under the people of this country. If we are going to have respect for parliament, let us stand by our commitments. I ask the government tonight what it is really going to do on these two issues: an immediate increase in the old age pension and standing by the effective date of July 1, 1967, for medicare?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I am amazed at the unusual type of question put by the hon. member tonight in this adjournment debate. He has addressed himself to a question that is usually dealt with by the house leaders in their meetings and discussions—that is, the

priority to be given to legislation before the house. Particularly am I surprised at his attitude when the government has already given its firm commitment that it intends to proceed this session to enact both the measures to which he referred. The government will proceed with the legislation on medicare and the supplementary old age pension legislation just as quickly as it can.

Mr. Howard: Let us meet next week then instead of taking a recess.

Mr. McIlraith: Our present and firm intention, which I think was indicated to the other house leaders, was that when we resumed the session we would deal first with the second reading of the Bank Act legislation so as to get it to committee and then take the medicare bill.

Nothing has been said in the house that would in any way interfere with that program. Nothing has been said today or at any other time that in any way calls into question that program. The program remains unchanged.

Mr. Knowles: Did you not hear the Minister of Finance?

Mr. McIlraith: Yes.

Mr. Martin (Essex East): He never said anything contrary to that at all.

Mr. McIlraith: In view of the interjection, I should add that the Minister of Finance said nothing that is in any way in conflict with what I have said now.

Mr. Knowles: Just a full year's delay.

EXTERNAL AFFAIRS—DONATION OF CANADIAN BOOKS TO FRENCH LIBRARIES

Mr. J.-A. Mongrain (Trois-Rivières): Mr Speaker, with your kind permission I will try to make my remarks in English in response to my colleagues in the house who occasionally display a lot of effort in extending this same courtesy to the French speaking members when they try to speak French. Therefore I beg the indulgence of the house, because I am not a master of the English vocabulary and cannot speak it as well as French.

This afternoon I asked the Secretary of State for External Affairs a question as a result of seeing something in the papers today. He had announced during a dinner for a French minister that the government is considering offering to six French libraries in different regions of France a collection of Canadian books, both in English and French, 800 in all. I am not trying to be destructively critical; I am just trying to give an opportunity to the government to clarify the situation and perhaps give more information to the public.

I should like to know from the minister or his parliamentary assistant when the government plans to make this gift of books. Second, what will be the proportion of French books and English books? Third, who will be in charge of choosing the French books, and what kind of French books are to be considered? Will they be novels, detective stories, best sellers, or will they be about all kinds of subjects so as to give an idea of our Canadian culture, if there is any? I suppose these books will be bought through Canadian booksellers. I should like the government to assure us of this fact. The last question is this: Is the government considering doing this same thing year after year—that is, doing it next year, and in the years that will follow?

• (10:10 p.m.)

I conclude my remarks by saying that this is a very constructive move. This is very good public relations and I am sure all members of the house will want to congratulate the government for doing what it has done.

[*Translation*]

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): I would like to thank my colleague for Trois-Rivières (Mr. Mongrain) who was kind enough to ask his question in English and I would like to return the compliment in the best Canadian tradition by answering in French.

Mr. Speaker, that project has been devised to put at the disposal of the French public in general, such as specialists, scholars and researchers, the bulk of our publications in the main fields of culture in Canada. It is part of the cultural agreement signed by France and Canada on November 17, 1965.

The books were chosen by experts in our National Library in consultation with the services of the Department of External Affairs, taking into account the standards used in libraries. The proportion of French books is approximately 65 per cent.

Virtually all areas of Canadian culture are represented: French and English Canadian literature, history, geography, sociology, economics, politics, philosophy, science etc.

The National Library has already acquired most of the selected titles and is now busy with the listing and labelling. As soon as the department and the French authorities, working in co-operation, have made their choice of the recipient libraries, we will proceed with the distribution of collections. In this connection, the departmental officers took advantage of the presence in Ottawa of the French Minister of Education, Mr. Christian Fouchet, to establish the facts of the question with him today. He promised he would soon communicate to us the list of libraries suggested by the French authorities.

We are of the opinion that this presentation of books should contribute to make Canadian culture better known in France and to bring our two countries closer.

The possibility is not excluded, subject to the means at our disposal, that we may consider, if such were the desire of French authorities, bringing up to date later the collections that we are about to offer the French government.

[*English*]

NATIONAL HOCKEY LEAGUE—APPLICATION OF CANADIAN LAWS TO HOCKEY PLAYERS

Mr. Ralph Cowan (York-Humber): Mr. Speaker, might I thank the hon. member for Trois-Rivières for his courtesy toward English speaking members. I regret that the hon. member for Rosedale did not extend the same courtesy.

This afternoon I thought it advisable to ask the Solicitor General this following question with regard to the hockey player, Carl Brewer. I asked whether the Solicitor General will—

—be notifying that slave-holding state known as the National Hockey League that the free laws of Canada apply to hockey players as well as to all other men in Canada.

This question was prompted by two very pompous statements which have been made, one in Toronto and one in Montreal, by two officials connected with professional hockey in this country.

Carl Brewer is a man of 27 years of age who during the past season attended the University of Toronto. He has been asked to accept a position on the Canadian national hockey team which will be competing for the world championship in Europe and he has been very anxious to accept such an opportunity. But when he spoke to the officials of the Toronto Maple Leaf hockey team who, in the parlance of the game, "own" him, he was advised by the coach and general manager that it would be impossible to release him because if he were to be placed on the waiver list New York would pick him up.

The Canadian Press, a nation-wide news gathering organization which has a reputation extending over 60 years, reports Punch Imlach as having stated with regard to Brewer:

There's no possible way I can put him on the list, knowing that the New York Rangers would pick him up. It's not me that's going to stop him, it's the whole league.

It is interesting to note that the "whole league" consists of four American teams and two Canadian teams. It is also interesting to note that four American teams would have the right to stop a Canadian boy from playing on Canada's national hockey team after he had expressed a desire to do so.

Even more mouth-filling and pompous are the remarks attributed to Mr. Clarence Campbell, president of the National Hockey League out of Montreal in which he pointed out that not only would the National Hockey League have to grant waivers, but every team in the three minor professional leagues, American, western and central would have to refuse to draft him for a price of $3,000.

I have referred before, particularly on December 21, 1963 in this house, to the slaves who are performing for professional sports in this country, particularly hockey, and when you find them talking about a draft price of $3,000, and hear them talking about the "owners" of a player, and when you see there is no freedom of movement, no further evidence is needed that there is a slave situation in the National Hockey League.

I say that any adult citizen of a free country—and I consider Canada to be a free country—should be able to live his life exactly as he thinks best without being told by some would-be employer: You must work for me and for nobody else. How would you like it if you belonged to one of the professions, let us say the law, and you were told you were obliged to work for a particular employer, the XYZ Corporation, and that if you did not agree to do so you would never be allowed to practice law?

This is the arrangement which the National Hockey League puts into its nefarious agreement with the Canadian amateur hockey association and the international ice hockey federation. I call on the Solicitor General of Canada to advise this National Hockey League or at least those teams which perform

under Canadian names that the laws of this country take precedence over any house regulations which have been drawn up either by the National Hockey League or by the Canadian Amateur Hockey Association with regard to the movement of players from one team to another, or out of the league, should they wish to go.

On December 21, 1963, I drew attention to the fact that on July 4, 1963, Mr. Justice Wilberforce in the chancery division of the High Court of Great Britain had ruled in the celebrated case of Eastham *v.* Newcastle United Football Club, in which that club had not been using the services of Mr. Eastham, that the action of Newcastle United with regard to this player was restraint of trade, and that the player was entitled to make whatever deal he could with owners of other clubs, wherever he might wish to go.

• (10:20 p.m.)

I would ask the Solicitor General of Canada, if he is not willing to introduce an emancipation bill to release the slaves, at least to draw the attention of the National Hockey League to the decision of Mr. Justice Wilberforce who has ruled that a player has the right to deal with the owners of other clubs, wherever he might wish to go. This is a legal precedent which can be quoted and used in this country, taken from Britain where it was handed down on July 4, 1963.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I thank the hon. member for raising a matter of considerable interest. Earlier this year the President of the Privy Council (Mr. Favreau) informed the house that the director under the Combines Investigation Act takes the position that the field of professional sport is outside the purview of the act. On the same day the minister further informed the house that the question as to whether and to what extent services may be included under the ambit of the act is presently under consideration.

I wish to confirm that a study into service industries at present not within the scope of the Combines Investigation Act, including professional sports, is being undertaken in the combines branch. As previously announced, however, it is not the intention to make piecemeal amendments to the act at the present time pending the findings and recommendations of the Economic Council of Canada concerning combines, mergers, monopolies and other matters recently referred to it by the government.

Motion agreed to and the house adjourned at 10.25 p.m.

APPENDIX

UNDERTAKING BY C.P.R. TO PAY MUNICIPAL TAXES IN PRAIRIE PROVINCES

CANADIAN PACIFIC RAILWAY COMPANY

Montreal, August 29, 1966

Ian D. Sinclair,
President

Dear Mr. Pickersgill:

You will recall conversations we have held over some months relative to whether as a contribution to the rationalization of Canadian transportation legislation, Canadian Pacific would be prepared voluntarily to forgo the perpetual exemption from municipal taxation provided in Clause 16 of its contract of 21st October, 1880, which is the Schedule to the Canadian Pacific Railway Act, S.C. (1881) Chap. 1.

This exemption from municipal taxation applies to the main line of Canadian Pacific outside of the boundaries of the original "Postage Stamp" Province of Manitoba, across Saskatchewan and Alberta. This exemption has contractual, statutory and constitional validity.

One of the points that you raised in our discussions was that the exemption imposed a burden upon the affected municipalities which is not borne by other municipalities on the Canadian Pacific system. You also raised the point that a perpetual provision such as that referred to did not take into account changes and varying circumstances which had occurred in the many years since the contract was executed by Canadian Pacific and the Government of Canada.

I have discussed the matter with the Directors of the Company and they have authorized me to say that, under the arrangement hereinafter mentioned, the Company is prepared to forgo voluntarily perpetual exemption from taxation by the local authorities on our main line in the Prairie Provinces in three equal stages: one-third for the year commencing January 1 after legislation is enacted modernizing and rationalizing existing legislation and taking into account, among other things, the effective changed conditions on freight rates otherwise fixed; a further one-third in the succeeding year; the balance in the third year from the commencement of the period as stated.

The Canadian Pacific proposes that the Government of Canada ascertain from the municipalities involved the municipal taxes that would have been payable, subject to statutory procedures as to assessment appeals, had the exemption not been in effect. When this amount has been determined, Canadian Pacific would make a grant of an equal amount to Her Majesty the Queen in the right of Canada for distribution to the municipalities involved in such manner as the Government of Canada might from time to time deem appropriate.

At any time after the expiry of the period indicated above, the Canadian Pacific would have no objection to action being taken to amend the constitution and the legislation to terminate the perpetual exemption from local taxation referred to.

You are free to make the position of Canadian Pacific public whenever it seems to you desirable to do so in the public interest.

Yours very truly,
Ian D. Sinclair

Hon. J. W. Pickersgill,
Minister of Transport,
Parliament Buildings,
OTTAWA, Ont.

HOUSE OF COMMONS

Friday, September 9, 1966

The house met at 11 a.m.

• (11:10 a.m.)

BUSINESS OF THE HOUSE

ORDER OF BUSINESS TO BE CONSIDERED THIS DAY

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I thought it would be helpful to hon. members if I were to take a moment to outline the government's intentions regarding the program for today's sitting. In an effort to do this I should indicate to hon. members that they will notice on today's order paper under government notices of motions a motion to amend the terms of reference of the joint committee dealing with consumer credit so that committee will be instructed "also to inquire into and report upon the trends in the cost of living in Canada and factors which may have contributed to changes in the cost of living in Canada in recent months." Some reference was made to this motion last night in the speech of the Minister of Finance. I believe that motion in the normal course of business will be transferred under standing order 21(2) to orders of the day for consideration later this day or at the next sitting. I believe that is the form.

This motion could be called when we come to orders of the day, and it could be debated and carried on the understanding that immediately that is done we would call the estimates of the Department of Finance and continue our discussion of the estimates, as was done yesterday. Or we could call the estimates first and then consider the motion later in the day.

We also have to put the formal motion for adjournment, which is in the precise terms of the motion carried on July 14. Perhaps I can refresh the minds of hon. members by indicating that that motion read, in part, in this way: "that when this house adjourns at the end of the ... this ... sitting it shall stand adjourned until Wednesday, October 5, at 2.30 o'clock p.m.". Then there was the proviso about an earlier calling back should that be necessary. That motion will require to be put at some time, and if it is agreeable I propose to move it when we reach motions in our proceedings today.

I am open to suggestions from other house leaders or other hon. members as to what disposition we should make of the other notice of motion to which I referred, the notice of motion enlarging the terms of reference of the committee to investigate the rising cost of living. If hon. members prefer to discuss the estimates first, that would be of no concern to the government. I think any matter that can be discussed under the one item can be discussed under the other, but I am open to suggestions as to which one hon. members would wish to have called first.

That is the way, Mr. Speaker, that we propose to proceed today, and I thought it useful to put this statement on the record at this time so that hon. members would be clear as to the program we have in mind for today's sitting of the house.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I suggest to the minister that the motion with regard to the committee on consumer credit be held till later this day so the debate will follow immediately along the subject matter that we were on yesterday. I say this just in case we might be diverted on some technical argument which does not occur to me at the moment but which is always a possibility in this house, and I think we should keep the order of business as it now stands.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we too think it would be better not to interrupt the debate that was taking place last evening but that it would be preferable to continue with the debate on the finance department's estimates, leaving the motion regarding the committee until later this day. I might also indicate that if the motion for a recess is put sometime today, bearing in mind some of the other problems that are with us we may have something to say about it.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, on behalf of our group I would prefer to delay this motion for the moment and continue with the business we were dealing with yesterday, the estimates of the Department of Finance. We could probably put the motion later on this day.

Inquiries of the Ministry

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, the suggestion that has been made is perfectly satisfactory so far as we in this group are concerned. Also the adjournment motion will be acceptable to us whenever it is introduced.

Mr. McIlraith: Mr. Speaker, I propose when we come to orders of the day to call first the estimates of the Department of Finance, and then later in the day to call the motion enlarging the terms of reference of the committee.

I am not clear on the other point as to whether it is desired to call the motion to adjourn now, on motions, or at a later stage in the day.

Mr. Knowles: Later.

Mr. McIlraith: Mr. Speaker, before motions are called I should like the government notice of motions called in the ordinary way and transferred to orders of the day under section 2 of standing order 21.

CONSUMER CREDIT

ENLARGEMENT OF TERMS OF REFERENCE TO JOINT COMMITTEE

On the order: Government notice of motion:

That the joint committee of the Senate and House of Commons appointed by this house on March 15, 1966, to inquire into and report upon the problems of consumer credit, be instructed to also inquire into and report upon the trends in the cost of living in Canada and factors which may have contributed to changes in the cost of living in Canada in recent months;

And that a message be sent to the Senate to acquaint Their Honours thereof and to request the concurrence of that house thereto.

Mr. Speaker: Pursuant to section 2 of standing order 21 this notice of motion is transferred for consideration under government orders later this day or at the next sitting of the house.

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the fact that the United Nations will have been convened before we meet again, provided the motion for adjournment is accepted later this day, will the minister now say on behalf of the government of Canada what the attitude of the government is going to be on the question of the seating of communist China in the United Nations? In that connection, what is the government's stand in respect of Formosa and the necessity of assuring that that government and people will not be sacrificed in consequence of any action taken?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the general assembly will open on September 20. The question of mainland China's admission to the United Nations will not be disposed of or dealt with until some time later during the assembly, very likely some time around the end of November. The position of Canada with regard to universality of membership has been stated and reaffirmed by me in the general assembly. We strongly support the position taken by the secretary general that the principle of universality should be observed. To this end we expressed the view last year that we would hope it would be possible for all sovereign bodies to take their places in the United Nations.

The question of Formosa does not present a problem in this regard. It is not the intention of the government of Canada to deny the right of 12 million people in Formosa to participate in the world body. We continue to express the hope that the conditions laid down by mainland China for admission, as stated by her foreign minister Chen Yi on September 29 last, will not be raised again this year. There will be an opportunity later during the session, in the light of events, to say more about this matter.

Mr. Diefenbaker: Has there been any change in the attitude of the minister that communist China should be admitted, as he was reported to have stated on August 15 at Banff? Has there been any change in that attitude since then? In particular, has there been any change in relation to the fact that, as the minister then stated, no acceptable means of bringing communist China into the United Nations has been offered or, indeed, has seemed possible?

Mr. Martin (Essex East): No, there has been no change in that statement. It was made after the most careful consideration. I would hope that if there is any solution to this it might be put forward by interested countries with which we are having consultations. There can be no doubt as to the view of the Canadian government, having regard to the serious situation in the world of the

desirability of participation in the United Nations by all sovereign states.

If a way can be found to meet the principle of universality in this situation we would wish to do so. In stating this we are taking into consideration the position of countries with which we have close association, and I do not refer only to the United States; I refer also to Australia, to New Zealand, to Japan, to countries in Asia and to other countries which feel that in the interests of world peace this problem of the admission of China to the United Nations should be resolved.

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO EFFECTIVE DATE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. In view of the fact that Bill No. C-227 on the order paper in the hon. gentleman's name provides for medicare to come into effect by July 1, 1967, will the minister be standing by that provision in his own bill?

Hon. A. J. MacEachen (Minister of National Health and Welfare): The answer to that question was made obvious yesterday.

Mr. Knowles: A supplementary question, Mr. Speaker. We were told yesterday of the decision made by the Minister of Finance. I was asking the Minister of National Health and Welfare where he stands.

Mr. Speaker: Order please.

[*Translation*]

LABOUR RELATIONS

QUEBEC LONGSHOREMEN—OBJECTION TO QUALIFICATIONS OF COMMISSIONER

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I put a question to the Minister of Labour? I should like to ask him if he has been informed of the accusation of partiality made against the arbitrator who has been asked to settle the problem of labour conditions in the harbours of the St. Lawrence. If there is no basis to the accusation, will the minister take the necessary steps to ensure the prestige and authority of commissioner Picard?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): The qualifications and background of the industrial commissioner were gone into very carefully prior to his appointment. The government has every confidence in the industrial commissioner. His experience is not, as the paper has alleged, solely on the side of management. He has acted for workers as well. As I say, we have every confidence in him and we hope he will continue on the job to which he has been appointed.

NATIONAL DEFENCE

RETENTION OF IDENTITY OF ARMED FORCES COMPONENTS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of National Defence based on a statement he made in the House of Commons on May 12, 1964, appearing in *Hansard* at page 3188: "There will, of course, always be soldiers, sailors and airmen." I ask the minister if those words, "soldiers, sailors and airmen" as designating the different fighting components of the armed forces will be officially retained in the new model force which he is creating.

Hon. Paul Hellyer (Minister of National Defence): As I made very clear at that time, any force with the responsibilities which our forces now have and will continue to have in the years ahead will require soldiers, sailors and airmen trained in their particular professional capacities.

Mr. Churchill: My question has not been answered, Mr. Speaker, and that is typical of the minister. I ask him a supplementary question. Will the soldiers, sailors and airmen in the new model force continue to wear uniforms of the style and colour so long familiar as distinguishing each branch of the service?

Mr. Hellyer: This is not the kind of urgent question which, under the rules, is ordinarily answered on the orders of the day.

Mr. Churchill: Here is your successor, Mr. Speaker.

Hon. J. A. MacLean (Queens): As a related question, Mr. Speaker, I would like to ask the Minister of National Defence can he assure the house that during the time parliament is adjourned, if the motion which will be proposed later this day carries, no action will be taken by him or anyone on his behalf in the Department of National Defence which does not already have the authority of parliament?

Inquiries of the Ministry

Mr. Hellyer: Yes; most certainly, Mr. Speaker, I will give that assurance. No action has been taken which was not authorized by this parliament, and you can be very sure none will be.

Mr. Churchill: That isn't accurate.

Mr. Frank Howard (Skeena): As a supplementary question to the minister in his concern about soldiers and sailors, would the minister classify himself as a tinker or a tailor?

[*Later:*]

Mr. Churchill: Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact that General Allard has assured the Royal 22nd Regiment that its identity will be retained in the future, with which I agree, will the minister give a similar assurance with regard to the Lord Strathcona Horse, the Princess Pats, the Fort Garry Horse and other famous regiments now in the regular army?

Some hon. Members: Hear, hear.

Mr. Hellyer: Mr. Speaker, it has been made perfectly clear on several occasions that identity would be retained at the unit level. Therefore there is no difficulty in giving my hon. friend the assurance that he requests.

While I have the floor, Mr. Speaker, may I just say in respect of the question raised by the hon. member for Skeena that what I presume he meant is, am I a tailor or a builder. In reply to that question may I say that along with the associate minister I am attempting to tailor the armed forces of Canada in such a way that they will be able to meet the real needs of this country and support its foreign policy, and to build the kind of power and effectiveness necessary to help deter war and preserve the peace.

Mr. Churchill: On a point of order, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Churchill: May I ask you, Mr. Speaker, if you were able to discern any answer to the question in the speech which has just been made by the Minister of National Defence?

[Mr. MacLean (Queens).]

WATER RESOURCES

UNITED STATES CONFERENCE ON WATER FOR PEACE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in the absence of the Minister of Mines and Technical Surveys may I ask the Secretary of State for External Affairs whether an invitation has yet been received by the government, or any department thereof, to the international conference on water to be held in Washington later this year.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, may I ask my hon. friend to repeat his question. I was just thinking of the implications of the question put by the hon. member for Skeena.

Mr. Fulton: I can well appreciate that that question and its implications could cause the gravest concern to all those on the government benches. I asked whether the government or any department thereof has yet received an official invitation to the international conference on water to be held in Washington later this year.

Mr. Martin (Essex East): No, the official invitation has not come but we expect it at any time.

Mr. Fulton: Then may I ask on this same subject whether, when the invitation is received, since we have been informed that it is expected, the government will give consideration to the position that Canada has commitments with respect to its own conferences on water; and as Canada's position with respect to these matters has hardly been definitively established, Canada's participation in this conference, if we are to participate, should be minimal so as to avoid the danger which, because we have not properly considered—

Mr. Speaker: Order, please. I think the question may have been lost in the speech.

Mr. Fulton: I did not quite catch what you said, Mr. Speaker. I was asking the minister for an assurance. I think the purport of my question was clear, that Canada will not make any commitment to any position that has not been considered and discussed in parliament.

Mr. Martin (Essex East): Mr. Speaker, I will say we have not yet decided whether we will participate in the conference. Likewise no firm position has been taken with regard

to the proposed subject matters. Beyond that I am sure my hon. friend will understand I cannot go.

[*Later:*]

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Secretary of State for External Affairs related to the one asked by the hon. member for Kamloops. I should like the minister to inform the house whether the United States consulted Canada, or in his knowledge any other country, before setting the date, and apparently the agenda, for the water conference to which the hon. member referred.

Mr. Martin (Essex East): I really cannot answer that question, Mr. Speaker. I would have to inform myself and that I shall do.

Mr. Lewis: Mr. Speaker, may I chop my question and instead of referring to other countries ask the Secretary of State for External Affairs whether the Canadian government was consulted about the date or the agenda before the conference was set down by the administration in the United States.

Mr. Martin (Essex East): Mr. Speaker, the hon. gentleman may chop his question but I hope he will not chop my head. I will simply have to inform myself on that question.

AGRICULTURE

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of the reported consideration being given to strike action by Saskatchewan farm organizations and because of the long delay by the government in bringing forward agricultural legislation, could the Acting Prime Minister give us an indication of when we can expect the legislation promised by the Prime Minister during the last few weeks?

Hon. Paul Martin (Acting Prime Minister): First of all, Mr. Speaker, I should have thought my hon. friend who comes from western Canada would be among the first to note with satisfaction the achievements of the present government and the present Minister of Agriculture in the area which interests him so much.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I shall take note of his question.

Mr. Nasserden: Surely, Mr. Speaker, the Acting Prime Minister cannot slough off a question as important as that with the type of assertion he has just made. This government and this Minister of Agriculture have not done anything.

Mr. Speaker: Order, please.

Mr. Martin (Essex East): Mr. Speaker, I must take umbrage. In view of my well known interest in agriculture I am rather hurt by the observation of the hon. member.

LABOUR RELATIONS

CONSIDERATION OF ESTABLISHMENT OF LABOUR COURT

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I would like to direct a question to the Minister of Labour. Has the government given any consideration or is it presently giving any consideration to the establishment of a labour court as a means of settling industrial disputes?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I think the only answer I can give to that question at this time is that the government has given consideration to the advisability or otherwise of some changes that might deal more effectively with problems of the nature raised by my hon. friend. It was for that reason that the Prime Minister announced just before his departure to the Commonwealth prime ministers' conference that a task force was being set up to study this important problem, under the leadership of Dean Woods of McGill University. I might say that Dean Woods is in Ottawa today conferring with officials of the office of the Privy Council, my deputy minister and others on this important matter. I doubt whether it would be wise for me to say anything further until we have had the recommendations or suggestions from the task force.

NATURAL GAS

REQUEST FOR REPORT ON MEETING WITH PIPE LINE OFFICIALS

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I should like to ask the minister of Mines and Technical Surveys a question but in his absence I will ask his parliamentary

secretary whether he is able to report on the substance of this morning's meeting between some members of the government and members of Trans-Canada Pipe Lines on the subject of gas transmission lines.

[*Later:*]

Mr. Sherman: Mr. Speaker, I did not receive an answer to the rhetorical question which I put a few moments ago to the parliamentary secretary to the Minister of Mines and Technical Surveys under the erroneous impression that he was present in the house.

May I now direct my question to the Minister of Mines and Technical Surveys. Is the minister in a position at this time to report on the substance of this morning's meeting between some members of the government and some members of the Trans-Canada Pipe Lines?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): No, Mr. Speaker. We received representations, and we will study them now.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the fact that Canada faces a financial crisis as indicated by the Minister of Finance in his statement last evening, and the possible break-up of the cabinet, does the Acting Prime Minister not consider that the Prime Minister should be back in Canada facing up to these internal difficulties rather than worrying about the future of Zambia?

Some hon. Members: Shame.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, it is strange that my hon. friend should mention these internal difficulties, because I had a dream last night.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I dreamt that the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp), for whom we all have great respect, because of differences with his leader had resigned as whip of the Conservative party. I am glad to learn this morning that this dream is greatly exaggerated, and so is the rumour to which the hon. member has referred.

Mr. Rapp: On a question of privilege, Mr. Speaker, this must have been a pipe dream.

Some hon. Members: Oh, oh.

[Mr. Sherman.]

[*Translation*]

BUSINESS OF THE HOUSE

CONSIDERATION OF MOTION RESPECTING EASTERN FEED GRAIN AGENCY

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to direct a question to the Minister of Forestry and possibly to the Acting Prime Minister since the question is not only whether Motion No. 48 on the order paper concerning livestock feeders in eastern Canada and British Columbia but also at what date after October 5 next, when the house resumes, this motion can be brought down for debate?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, that is a question that can only be decided after a conference of the house leaders. I hope an arrangement can be reached to the satisfaction of the hon. member.

[*English*]

EDUCATION

INQUIRY AS TO FEDERAL CONTRIBUTIONS FOR POSTGRADUATE STUDY AND RESEARCH

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of Finance. I wonder whether the minister's attention has been drawn to a statement made yesterday by Dr. John Deutsch, chairman of the Economic Council of Canada, related in this morning's *Globe and Mail*, to the effect that Dr. Deutsch said, "priority must be given in the immediate future to the growth of post-secondary education, including a substantial increase in funds for postgraduate study and research." Has the minister's attention been drawn to this statement, and does he remain adamant in the cut-backs he announced yesterday for research and the scholarship fund of the government?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I think the statement of Dr. Deutsch, which I have not read, illustrates why it is necessary to give first place to the most important matters, within our ability to pay. I can assure the hon. gentleman who has asked this question that it did not require Dr. Deutsch to draw this matter to our attention. Moreover, it is our intention during the discussions with the provinces to support, even more than we have in the past, the provisions for post-secondary education. May I say, in

order to prevent this sort of canard being repeated, that I have not cut back any existing programs; I am simply pacing our progress in the future.

Hon. E. D. Fulton (Kamloops): A supplementary question, Mr. Speaker. May I ask the Minister of Finance, who has just referred to the discussions with the provinces, whether in the light of his statement last night, his statement on television the previous evening and his reference now, there will be at this conference a discussion of priorities and objectives for Canada, for which the premier of Manitoba has been pressing.

Mr. Sharp: Mr. Speaker, this government in all its actions has always recognized the importance of priorities. It continues to recognize them. I am very happy to see that the premier of Manitoba is supporting us.

Mr. Fulton: A further supplementary question, Mr. Speaker. If the government recognizes the importance of priorities, why is it that the Prime Minister on behalf of the government refused to discuss the subject in that context at earlier conferences?

Mr. Sharp: Probably because it was raised in a political rather than any other sense.

Some hon. Members: Oh, oh.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Industry who reports to the House of Commons on research matters. Will the minister make the strongest possible representations to the Minister of Finance so that medical research will be increased, if we in Canada are to retain in the next year doctors and medical teachers?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I fully share the desire, I think of all members of this house, to make the best possible use of all our resources and to accord a high priority for research. I think one can accept the assurance of the Minister of Finance that there has been no cut-back in this area or any other.

Mr. Grafftey: Will there not even be a freeze in relation to medical research, in view of the serious problem facing the country?

Inquiries of the Ministry

NATIONAL DEFENCE

RIVERS, MAN.—REPORTED INTENTION TO CLOSE TRAINING CENTRE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of National Defence. Could the minister indicate when the scheduled meeting between the government of Manitoba and himself or his representatives will take place with respect to the continuing role of the Rivers tri-service air base?

Hon. Paul Hellyer (Minister of National Defence): To the best of my knowledge no date has yet been set. I think it was suggested that a meeting might be arranged some time during the month of October.

Mr. Dinsdale: I have a supplementary question, Mr. Speaker. I would presume that under an integration program the role of this station would be increased rather than decreased.

Mr. Speaker: Order, please. That is argumentative.

FINANCE

COMMITTEE CONSIDERATION OF B.C. BANK BILL

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question for the hon. member for Essex West in his capacity as chairman of the committee on finance, trade and economic affairs. Before I pose my question, may I compliment the Minister of National Defence on having taken such a long time to come up with so much boloney.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. I was about to reply to the question when the hon. member for Kamloops was given the floor.

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. Howard: I did not catch that delightful comment of the minister, but obviously I can get along without it.

Mr. Hellyer: I will send it to you.

Mr. Howard: May I ask the hon. member for Essex West when it is intended that a meeting of the committee will be called to deal with the bill relating to the Bank of British Columbia, which I understand is the

only subject matter before that committee of which the hon. member is chairman.

Mr. H. E. Gray (Essex West): Mr. Speaker, I am pleased to be able to answer this question, and I hope the hon. member will not consider my answer to be boloney. The bill to which the hon. member referred is not the only business before the committee. That committee also has before it at this time a bill in respect of the Bank of Western Canada, which we hope to deal with when the amendments to the Bank Act are referred to the committee.

In so far as the bill in respect to the Bank of British Columbia is concerned, I hope to find an early opportunity to consult with the steering committee in order to ascertain a suitable date for hearings in this regard which will be satisfactory to the sponsors and those in the province of British Columbia who are interested in this matter.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

QUEBEC—REPLIES FROM PREMIER RESPECTING FEDERAL LEGISLATION

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct a question to the Acting Prime Minister (Mr. Martin).

Could he tell the house whether the government has received any reply from the government of the province of Quebec concerning a certain federal legislation?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the hon. member asked that question the day before yesterday and I should have been able to answer him.

I shall immediately ask the Prime Minister's secretariat to supply me with the information so that I can give an answer as soon as possible.

[*English*]

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF GEOGRAPHICAL CO-ORDINATES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. He has already given us an indication of his vast experience in agricultural matters and by this time he should also be an expert on fisheries affairs. Can the Acting Prime Minister tell us whether any progress has been made in establishing geographical co-ordinates from which the base lines will be drawn to provide Canadian fishermen with a 12 mile limit?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, as the hon. gentleman is aware, during the discussions I had with Secretary Rusk about six weeks ago I informed him that we proposed to take certain steps in connection with this matter, and in that regard I made a proposal. I have reason to believe that I may receive the United States reaction to this proposal some time next week. When a reply is made available to me I will be able to tell the house the precise nature of the proposal Canada has made.

VETERANS AFFAIRS

REQUEST FOR INCREASE IN PENSION COMMISSION MEMBERSHIP

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. In view of the large backlog of cases before the pension commission and the subsequent long delay in adjudicating applications, will the minister consider enlarging the membership of the commission and the appropriate medical staffs so these applications may be dealt with within a reasonable length of time?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I expect that this matter among other things will be considered by the Wood commission. I believe I should wait for the report of that commission before I make any further studies of the kind suggested. There may well be a point in the hon. member's question which should be looked into.

POST OFFICE DEPARTMENT

SALE BY LOCAL OFFICES OF FEDERAL HUNTING PERMITS

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question is directed to the Postmaster General. Is he aware that post offices across the country are in the business of selling $2 federal waterfowl hunting permits, and does he not agree that these permits should be made available to the regular provincial hunting licence vendors so that tourists and other hunters will not be inconvenienced by having to make two stops in order to obtain these hunting privileges?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I am aware of that fact but my department has adopted that policy and I agree with it.

FINANCE

GATT—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, in the absence of the Minister of Trade and Commerce perhaps I may be permitted to address a question to the Minister of Finance in respect of a matter with which he is quite familiar. Can the minister inform the house whether any progress has been made during the long tariff negotiations which have taken place at Geneva, and will he indicate when these negotiations may be concluded?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, there has been considerable progress made. I expect that we shall live up to the schedule if only because the authority of the United States will be expiring shortly. I do not know whether the outcome will be as favourable as the late President of the United States, Mr. Kennedy, originally hoped for, but I am sure there will be a substantial outcome.

HEALTH AND WELFARE

MEDICARE—INDICATIONS TO PROVINCES OF POSSIBLE CHANGES

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the government decision to defer the effective date of medicare to July 1, 1968, has the government any plan or intention of participating with those provinces which already have a medicare plan in such a way that will be of benefit to them?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I think the decision of the government as announced yesterday speaks for itself in regard to this matter.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, by way of a supplementary question I should like to ask the Secretary of State for External Affairs whether letters have been written to the provinces indicating the revisionary nature of the medicare proposal, and whether when he gave his answer in the house yesterday regarding this question he was aware of the fact that changes had already been anticipated and made by the cabinet.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Minister of Finance sent copies of his speech to provincial representatives yesterday. Just for purpose of emphasis I may say that the government proposes, as was stated by the house leader last night, to see that the medicare bill is passed this session. This will be another contribution by this government, and the party to which we belong, to the program of social security in this country, which I think compares with that of any country in the world.

Mr. Diefenbaker: Mr. Speaker, in view of that gratuitous addition from dreamland I should like to ask the minister whether it is the intention of the government to make changes in the general ukase that was issued to the provinces in order that the plan may be reformed and altered to become completely comprehensive.

Mr. Martin (Essex East): Mr. Speaker, the Minister of Finance made it clear in his statement yesterday that with the exception of the effective date there will be no change in the bill, which I am sure will commend itself even to my right hon. friend.

Mr. Diefenbaker: Five provinces have not agreed to it.

Mr. Martin (Essex East): Five provinces may not be in agreement, but this government has been opposed by provinces in respect of other such measures. However, the fact is that as the result of the initiative taken by the governments of Mackenzie King, St. Laurent and Pearson, we do have programs of benefit to the people of Canada.

Mr. Diefenbaker: It only took 36 years for health insurance.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Secretary of State for External Affairs whether that is another of those canards that the Minister of Finance was talking about a minute ago.

Mr. Martin (Essex East): As my hon. friend knows, I have not had an opportunity to express this kind of canard for over three years.

Mr. Knowles: That was a real one today.

Supply—Finance

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—
INQUIRY AS TO POSTPONEMENT

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the Minister of Finance and to relate it to one of the "painful reviews" he mentioned yesterday. Can he assure the house and the Atlantic region that the construction of the Northumberland causeway is not one of those good projects which is planned for postponement or deferment?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the position of the government on the construction of the Northumberland causeway was never changed. We intend to proceed with it and complete it.

SUPPLY

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

DEPARTMENT OF FINANCE

Administration—

1. Departmental administration including administration of the Guaranteed Loans Acts and the Inspector General of Banks' Office, and payments to provinces and grants as detailed in the estimates, $4,332,900.

• (11:50 a.m.)

[*Translation*]

Mr. Mongrain: Mr. Chairman, I started last night to give my impression from the standpoint of an independent member in this house and you will agree that it can be different from the opinion expressed by the Minister of Finance (Mr. Sharp) and from certain comments made by the spokesmen of the opposition parties.

I said that, in my opinion, the minister's speech appeared to me as a courageous diagnosis which, for instance, a surgeon would make after examining a patient and finding out that his condition is getting worse. And the diagnosis is all the more courageous because the minister admitted that the condition of the patient—Canada or the Canadian economy in the circumstances—became worse these last five months, when he had anticipated that it would improve.

I added, Mr. Chairman, that the problem of inflation is a rather complex matter, that it seemed to me that the minister is quite qualified to suggest cures, since he has at his disposal a whole team of experts and he has had himself a wide experience in government matters, in short, that he is always in consultation with financial experts from all over the world with whom we have financial connections.

[Mr. Knowles.]

And I think I could say as much if we had a Conservative government, because I presume that the Leader of the Opposition (Mr. Diefenbaker) would have tried to choose as head of that department a competent man who could benefit also from the same advice of experienced people.

Mr. Chairman, I added that I had a lot more confidence in the minister's directives, precisely because of his qualifications, than in some remedies—which remind me of quacks' or old wives' remedies—proposed by some hon. members who cannot offer the same qualifications.

Mr. Chairman, it was said during this debate that the government was probably to blame for inflation. The public was thus given the impression that Canada is the only country faced with inflation, and yet it is raging throughout the world. One has only to read a financial publication to find evidence thereof. For instance, in the September 2 issue of *Time* there is an article which reads as follows:

[*English*]

In West Germany, credit is so tight that Frankfurt last week cancelled plans to build a new subway system, while Dusseldorf was forced to call off construction of a new city hall, auditorium and athletic stadium.

[*Translation*]

You will note, Mr. Chairman, that those are countries which are reputed for their solid financial structure and which do not indulge in fantasy.

[*English*]

In Switzerland, commercial banks last month raised the prime interest rate from 5 per cent to 6 per cent, the first such increase since 1937 in the frugal little country.

In Sweden, the shortage of loan funds is such that high-priority apartment construction in Stockholm has been cut back 40 per cent, and the average wait for an apartment is now ten years.

In Norway, big and small businesses this summer are getting bleak answers when they make loan applications as longtime bank customers: "Sorry, but we don't have money."

In Britain, banks are now within 1 per cent, or $47,500,000 of the ceiling on the amount of money that they can lend;

[*Translation*]

And it continues along the same lines, and we note, Mr. Chairman, that the same situation prevails in all the countries of the world. Even the U.S. which is supposed to be a

leader in the financial field is faced with problems. This was evidenced this morning in the statement of President Johnson, who must take austerity measures concerning industry and high finance—fortunately—rather than against the small people.

Again in the September 9 issue of *Time* we read that even Wall Street financiers urge the government to take emergency action, and I quote on page 79 from the section entitled—

[*English*]

Ordinarily, talk about higher taxes is not very cheery. But U.S. stock and bond investors last week seemed to brighten up just when word got out that the Johnson administration was seriously considering tax increases as an adjunct to tight money in the fight against inflation.

• (12 noon)

[*Translation*]

This disease is common not only to Canada, but to the whole world. In every country, you have all kinds of governments: conservatives, liberals, democrats, republicans, and I believe the most affected country is England whose government is closely related to our New Democratic Party. We will not put the blame on any individual, any party, because it is a general disease, and so we must have the courage to take the necessary measures to prevent this disease from spreading and bringing on disaster.

That is why, Mr. Chairman, I come to certain conclusions. I believe all Canadians should be reassured for two reasons: the first is that today's governments are prepared to deal with the situation, to prevent it from turning into a catastrophe, because we have experts today who are able to make financial forecasts and counsel governments, so that these governments may take the necessary steps when it is time. I repeat that, in this matter, I have full confidence in the hon. Minister of Finance.

There is also a second reason. We now have in Canada social legislation providing our economy with hundreds of millions of dollars, if not over a thousand million each year, which helps to stabilize the Canadian economy. But in spite of all this, strong measures will have to be taken. I will say only this to the hon. Minister of Finance: In the measures you are going to take, do your utmost to spare the small wage-earner, the one who lives with austerity the year round.

Let us not take away the butter on his bread, for pity's sake, and let us endeavour to impose austerity onto those who have the means to pay, the financiers, manufacturers, and businessmen who can always make out, and let us go as easy as possible on the wage-earners, particularly the low wage-earners.

And I will now point out to the hon. minister it is time to remember that this government has been accused of indecision, procrastination and weakness in dealing with certain problems; so it is now time for the government to prove that it has the necessary determination to apply to the Canadian economy the measures necessary to put it back on its feet. The time has come to face this crisis bravely, to make all Canadians understand that an operation, never a pleasant thing, is absolutely necessary. No one is happy when his surgeon tells him that he will have to remove a vital part of his body, but when he learns that he will get worse and die unless he is operated on, he reconciles himself to that fact, and asks the surgeon to be quick.

I think the government will show courage and determination. It has all it needs to understand the situation. It must not let itself be impressed by the criticism of some irresponsible or inexperienced journalists, by some members of this house who are more interested in promoting the interests of their party than in working for the good of the Canadian economy. The minister would be wise to listen to some of the suggestions, because the members of the opposition have made some that are worthwhile, but I think he should concern himself only with constructive criticism. He should not let himself be dissuaded from the course of action he has taken. In the present situation, he should himself forget the political considerations of his own party, forget future elections, and believe that Canadians today are better informed than they have ever been, that they will not swallow anything and that they will not be bluffed. Canadians realize more than ever that a financial crisis does exist and they expect their government to come forward with remedies or cures, or even painful operations, to prevent the problem from becoming more serious.

Mr. Chairman, I have one last point to make and then I will resume my seat. Last evening, during the debate, an hon. member bluntly stated that I would probably go back to the Liberal party before too long. He might have meant it as an insult; I will simply remind this kind hon. member that I left the Liberal party of my own accord, that I am happy as an independent, that I can now say out loud what everybody thinks and says in a whisper, that I do not have to keep

silent for political reasons, that I can stand up and criticize the government when I conscientiously believe I should do so, but, on the other hand, I would be ill-advised and remiss in my responsibilities toward my constituents if I failed to recognize the good things accomplished by the government, to recognize especially that the government has certain responsibilities to discharge, and, also, if I did not give the government the support to which it is entitled, because, as an independent member, I do not work for the Liberal party but for Canada, for my province, for my constituency.

Mr. Matheson: Mr. Chairman, I wish to commend the last speaker, the hon. member for Trois-Rivières (Mr. Mongrain) for the speech, full of wisdom and objectivity, he has just delivered, and also for his contribution to this most important problem.

[*English*]

I listened last night with great interest, Mr. Chairman, to the contributions that were made by two Conservative members, one N.D.P. member, the leader of the Ralliement party and the leader of the Social Credit party. I struggled to discover what was the conclusion of these hon. members to this inflationary problem that faces Canada and, as the hon. member for Trois-Rivières has indicated, the entire western world. I was confused about this. It almost appears to me, sir, that we have forgotten somewhat the experience of the thirties. Certainly, during the time I have been a member in the last four parliaments we have shown considerable preoccupation with long and middle-run economic problems, problems relating to exchange and growth and distribution. But in so far as shorter term problems relating to cyclical fluctuation are concerned, it would appear that we have tended to forget them even though they were so much the concern of the pre-war generation in Canada.

The hon. member for Brome-Missisquoi made a carefully prepared speech last evening. He spoke in terms of excessive interest rates. He spoke about the need to control inflation. Then he stated his fear that the minister had enunciated negative, short-term remedies to combat inflation and, in effect, urged the federal government to increase substantially its expenditures on such matters as retraining, housing, zoning, the ARDA program and so on. He spoke about the need for long-term measures to be taken to combat inflation. This was the burden of his remarks.

[Mr. Mongrain.]

Actually it is difficult to find very much that was truly unique and different in the remarks of the hon. member for Qu'Appelle. He was derisive of the Minister of Finance for the financial measures adopted, which he argued were as old and as orthodox as fiscal and monetary policy could be. For my part I am very grateful for the fact that following the study of the commission on Canada's economic prospects, the royal commission of 1957 which addressed itself in the main to manpower, productivity and output, and the need for trained manpower and research, we have had two important studies by the Economic Council of Canada.

The first study related to economic goals for Canada by 1970. In December, 1965, there was the more searching and shorter term study which addressed itself to a sustained and balanced economic growth. I am grateful for the fact that we have as Minister of Finance a man uniquely qualified in graduate studies, first at Manitoba and later at London School of Economics; a man with practical experience having discharged important duties in the finance department and the Wartime Prices and Trade Board, a scholar who in 1947 became director of the economic policy division of the Department of Finance, who in 1955 and 1956 led important teams to negotiate trade agreements with Russia and Japan, basically in the field of food, who led many important deliberations for the western world in GATT, who in 1963 succeeded to the important portfolio of Trade and Commerce and then took over the watchdog duties of the Department of Finance. We must regard our Minister of Finance as the guardian of the nation. It is his duty to represent all of the people, and I would think in particular the consumer. We have in the minister a man who understands the machinery for fiscal controls at the government's command and knows how and when to use them.

Mr. Scott (Danforth): You are straining, John.

Mr. Matheson: Am I straining? One of the important comparisons I would make between the minister and the members who spoke last night is the note of optimism which appeared in the minister's comments as opposed to what appeared to me to be the despair of the Conservative members and the spokesmen for the other parties.

• (12:10 p.m.)

What are the pressures with which we are faced? On March 21, 1966, the Minister of

Finance spoke honestly and frankly, just as he did last night. He said in part that our problem was not to put a brake on the economy but to see that we do not press too hard on the accelerator and throw the car off the road. If one gathers together the several speeches which have been made by the hon. gentleman in the field of balance of payments, in the field of exports and imports, in the field of growth, and now more particularly in the short-run area of cyclical theory, I think we have as fine a set of addresses on economic problems in Canada as we can find from any Minister of Finance who has ever held this portfolio. We have had good ministers of finance during periods of war and some during post-war periods, but not many have had the chance to assume different portfolios and responsibilities which cover the entire range of our economic problems.

In another address relating to the problem of poverty the Minister of Finance said that Canada's major problem in 1966 seems to be to restrain the economy from trying to expand more rapidly than physically possible. That was his conclusion of many months ago. In another address he indicated that prosperity tends to widen the gulf between the rich and the poor, just as depression tends to be a leveller. His advice to the nation was that we should proceed with discipline. In naval terms, we must advance line abreast, not line astern.

Some of the N.D.P. members seem to be uproarious in their laughter, but my contention is that regardless of where a man fits into society, whether he be an old age pensioner, a worker in a trade union, a school teacher, a clerk or doctor, even a person clipping coupons, there is essentially only one way in which the nation can advance and that is line abreast. It is ridiculous to suggest that simply by taxing away profits we can right this distortion of inflation, at the same time encouraging price increases in other directions.

The problems that are facing Canada are clearly understood by bankers, businessmen and economists, if not by some of the members of parliament.

Mr. Martin (Essex East): And by labour.

Mr. Matheson: And by labour, as the Acting Prime Minister indicates.

Mr. Knowles: That was not in the text.

Mr. Matheson: No, but it is a useful intervention because we are getting some very able and responsible assistance from labour today on matters not entirely along the lines indicated by members of the opposition. I do not think that Canadians are so naïve as to overlook the dangers with which we are currently faced.

This is the longest period of economic expansion in Canadian peacetime history. It has produced an extended series of annual increases in before-tax profits of corporations. In some instances the profits of certain corporations, perhaps those in a monopolistic or quasi-monopolistic position, have been so high that there has been, as in the case of the United States and as in the United Kingdom, the danger of high-profit industries being able to pay labour so well that they are more or less able to entice them away from other industries which are operating marginally, therefore increasing the danger of bottlenecks.

This year, though business activity continued to expand strongly, rising costs which are associated with an economy operating at levels closer to capacity than at any time for a decade were beginning to take their toll of profits. In the early months of this year in Canada and the United States business forged ahead at a rate that was clearly unsustainable. The hon. member for Brome-Missisquoi and the hon. member for Qu'Appelle are apparently not interested in these facts.

It appears to me that cyclical theory now requires us to look through a microscope at the special problems of the top quarter of the upswing. If I can make an analogy, it seems to me that what we have to do is to exercise the art of riding a surfboard. If that can be done with skill, courage and aplomb, growth will quite conceivably continue onwards. Indeed, there may be many higher waves behind this wave and we do not need to be the helpless victims of circumstances. But for us to suggest or to think for one moment that this situation is something within the easy control of the Canadian government alone is specious and untrue.

The economies of both the United States and Canada have been operating at very close to capacity for several quarters and the signs of strain that had begun to appear in 1965 have become unmistakable. Therefore when we use the expression "overheating", that is a simple statement of fact.

Many records have been achieved in Canada this year as this high level of activity

has increased. There is no doubt that the increase in real output, in spite of the many labour differences which have occurred, will be in the neighbourhood of 6 per cent. But the upward trend in prices and costs is causing concern. The consumer price index has risen by over 2 per cent in 1966 and the wage settlements negotiated so far this year have resulted in considerably larger wage increases than in previous years. So that we are facing a new plateau of higher prices and higher costs which is going to take some time to work its way through the economy. But these price increases may accelerate unless a determined effort is made to counteract the increasing inflationary pressures. The threat of inflation has increased, and this will weaken Canada's competitive position both at home and abroad.

I have been looking at the publication of the Ontario Department of Economics and Development which is called "Ontario Economic Review". In its volume for April of this year there were 12 graphs. On these 12 graphs we find depicted an increase in business, industrial and engineering contracts in Ontario, in new orders for manufacturing in Canada and in wages and salaries in Ontario. Relatively, the consumer price index is flat; it shows a much more modest increase. Yet the gross national product is still increasing steadily, and this increase appears to be relatively higher than that shown by the consumer price index.

When we consider the combination of increasing prices, increasing wages and also the increase in investment capital, which is another factor in the rigidities and illiquidity which has developed, we are facing a major problem which must be met by these fiscal and monetary techniques.

In the May-June issue of the same publication of the Ontario Department of Economics and Development appears a report produced by Mr. H. Ian Macdonald, chief economist. He talks about construction contracts which are currently being awarded in Ontario and indicates that many large construction awards were recently placed in that province, all of which were for very valid purposes. The hon. member for Nanaimo-Cowichan-The Islands thinks that there is no limit to this expansion. When I look at the construction which is being carried out, such as the Beaverton home for the aged, a building at Ottawa university, provincial highway projects, and so on, I commend them. I find myself much more enthused about hospital extensions than I am about shopping centres and mail order buildings.

What is the effect of all this? The effect must be that if we do not accomplish greater co-operation with the provinces, particularly the industrialized provinces in central Canada, in pacing production, we shall fail by trying to do too much too quickly. That is the advice and guidance we have had from the minister and it is important that this advice should be followed. This I think, emphasizes the importance of the forthcoming dominion-provincial discussions with respect to the solving of such constitutional difficulties as may exist inhibiting action.

• (12:20 p.m.)

Mr. Graham Towers points particularly to the matter of credit and says:

—I doubt that the pace of the recent credit expansion can be maintained without causing trouble.

He indicates to us that the gross national product in North America last year grew in excess of 9 per cent and, while price increases accounted for a portion of that, the real increase on a per capita basis was in the neighbourhood of 4½ per cent. In other words, we are growing and we shall continue to grow, but we should not allow greed to push us over the brink.

It is easy, of course, to be a Liberal administration if you have opposition that comes from both the Conservative side of the house and from the New Democratic Party or socialist group—

Mr. Diefenbaker: And also within your own party.

Mr. Matheson: Perhaps I should say, from the Progressive Conservative party, in answer to the right hon. gentleman who interjected. It is easier to be a Liberal if you are going to move forward guided by advice from a side which supports some restraint. There are some who desire to conserve and there are others who have an enthusiastic interest to progress rapidly and to be as progressive as possible without any concern for restraint. We have not had in the twenty six and twenty seventh parliaments, certainly not in the twenty seventh parliament, any serious words of restraint.

Mr. Sharp: Not from the opposition.

Mr. Matheson: Not from the opposition. I think this is manifestly so. Certainly we have not had them from the first two Conservative speakers in this debate. Their emphasis is that it is only by further pump priming that

we can remove ourselves from our present difficulties.

Mr. Grafftey: Nor have you had any from the right wing of your cabinet.

Mr. Matheson: From the right wing?

Mr. Grafftey: From the chancery wing. From the old guard.

Mr. Matheson: I have high regard for what people such as John Deutsch, Louis Rasminsky and Robert Bryce have to say. I have high regard for what the Minister of Finance, who is responsible and trying to be as fair and just as he can be under these circumstances, has to say, namely, that it is only by adopting certain disciplinary measures that remedies to inflation can be found.

An hon. Member: What does the Minister of National Health and Welfare say?

Mr. Matheson: John Meyer has warned us. I know the official opposition are not interested in his warning, but here we have a case where the mid-year survey of capital investment commitments by government shows that, despite a reduction of 4.9 per cent, they are still running at 8.9 per cent ahead of last year's expenditures. It is clear from the various articles that John Meyer has written that the progress in the first quarter of this year cannot possibly be expected to continue. There is such a thing as overheating, and one must take care of the economy. Certainly one sees the wisdom of looking after an engine. We have to consider the wisdom of looking after our our own industrial and financial situation in much the same way.

Mr. Nasserden: May I ask a question?

Mr. Matheson: I should prefer to carry on at this time. When I have finished I shall try to answer questions.

I might suggest to the Minister of Finance one excellent way in which $12 to $15 million could currently be saved. I think it might be worth while to examine the proposal with respect to the electrification of the Rideau canal and river system. This has been considered for some years and certainly engineering studies and advice exist. The proposed electrification is, I think, unnecessary and undesirable.

If I may refer to the wise remarks of the hon. member for Trois-Rivières, he indicated the universal character of the inflationary problem. At first blush many of us would be happy to consider bold and dramatic steps to cope with the cost of living. The question we find continually raised in the United States and in Canada is whether wage and price controls should be implemented. A lot of thought has been given to this matter.

I note in the current issue of *U.S. News and World Report* that there is reference to pressures in late August and September and to government action to clamp down on the overheated boom in that country. They estimate in the United States that the boom has reached a critical stage, requiring the most careful handling. A sober analysis is given in *U.S. News and World Report*, which says that in the United States there is ahead a period of growing strain and mounting pressure, and that labour shortages, skilled and even unskilled, will grow more severe. Unemployment in the United States, now at 3.9 per cent of the work force, will slip to 3.5 per cent. I believe in Canada we are in the region of 3.5 per cent to 4 per cent. The report indicates that by the end of the year the United States figure will perhaps fall to 3.1 per cent. People generally and businessmen and politicians do not like controls, and short of an emergency such as a world war they do not work.

I was impressed by the column by Henry Wallich which appeared in the September 5 issue of *Newsweek*. It is headed: "Can We Stop Inflation Without A Recession?" He studies the question of direct price controls. He comes to the conclusion as a result of careful analysis of this problem that fiscal and monetary restraints are the only tools that can be relied on to do anything in the immediate future.

With reference to what the hon. member for Brome-Missisquoi said last night, in Canada we are in a somewhat different position from the United States. We have a very limited constitutional power. The government may assume certain powers during a national emergency, but we do not at this time have the powers to step in to exercise the kinds of controls which have been referred to and which are clearly beyond federal jurisdiction. I do feel that continuing discussion with the provinces is of the greatest importance, and I am sure that the wise men of Canada, representing both federal and provincial governments, will not allow constitutional limitations to impede them in formulating the policies that they in their wisdom feel may be necessary.

It is interesting to note, Mr. Chairman, the characteristics we find both in the United

States and to a lesser extent in Canada. This is so because through the wisdom of the Minister of Finance those problems have been anticipated. One sees that the conditions we are faced with in Canada almost meet the classical situation as described by James S. Duesenberry, the cyclical economist, and the great cyclical authority, Dr. Von Haberler. This aspect of economics was studied intensively throughout the 1930's until the outbreak of world war II. In a 1964 publication Dr. Von Haberler gives a description of what we may find in the fourth quarter of the business cycle, and says:

As more and more unemployed factors of production are drawn into employment, the supply of factors of production and of goods in general becomes more and more inelastic, and a constant expansion in terms of money will lead to a smaller and smaller increase in output and to a larger and larger rise in factor and commodity prices. In other words, at the beginning of the expansion, a large part of the increase in monetary circulation will have been absorbed by a rise in the output and turnover of goods, and a smaller part by increasing prices. When full employment is being gradually approached, this necessarily changes.

• (12:30 p.m.)

Then he went on to say:

When one category of factors after the other is becoming scarce—the transition to full employment is of course gradual and not sudden—it becomes more and more difficult to expand at various points at the same time.

This is the overheating problem, the problem of trying to do too many things at the same time.

If one industry increases its demand for means of production and succeeds in attracting labourers by offering higher wages, it lures them away from other industries. The same holds true of raw materials and semi-finished products. The expansion of the industry is possible only at the expense of a contraction somewhere else.

Mr. Chairman, a Minister of Finance who is not prepared to recognize these things and deal with these matters with the courage and the guts displayed last night has no right, in my way of thinking, to hold this important key office.

Mr. Horner (Acadia): Suppose he recognizes these things too late?

Mr. Matheson: After that investigation I should like to remind hon. members that there was not one pay increase which the official opposition had not pressured.

Mr. Horner (Acadia): We take no responsibility for the two you gave.

Mr. Matheson: You take no responsibility at all.

[Mr. Matheson.]

Mr. Horner (Acadia): We will take responsibility when it is ours but we are responsible for nothing like the 30 per cent increase your government approved earlier this year.

An hon. Member: You are mad.

Mr. Matheson: Well, 48 members from the prairies were quite prepared to settle the shipping strike on any terms.

Some hon. Members: No.

Mr. Matheson: That was their message to Canada—get the grain moving. This minority government had to survive tests of strength and pressures in this country nearly all of which were challenges to put more money into circulation, even in directions which could not possibly produce more growth.

Some hon. Members: Hear, hear.

Mr. Matheson: Everyone in this country is concerned about the situation of the old age pensioners. Members of this house are terribly concerned about those who live on veterans' allowances, about the transport workers—

Mr. Horner (Acadia): Everybody but the pensioners.

Mr. Matheson: —but when there is a condition of virtually full employment, pumping more money into circulation will simply blow the top off.

Mr. Horner (Acadia): Exactly what you have done.

Mr. Matheson: There are some members of the official opposition who do not give a damn about this. Their actions have been neither responsible nor helpful. They do not really care about the overheating process.

Bruce Hutchison asks us whether we have the courage and the wisdom to avoid disaster. The real question before us is not political in the ordinary sense—

Mr. Nasserden: I rise on a question of privilege. The hon. member has charged that it was the opposition which pumped money into the economy of Canada.

Some hon. Members: He did not.

Mr. Nasserden: It is the action taken by the Minister of Finance which has increased the money supply in Canada over the last 18 months.

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): The last month.

Mr. Matheson: The real question is whether we have the courage to do the things which we recognize must be done. As Bruce Hutchison so ably said, the nation itself has been brought to trial.

There are many examples of a more fruitful partnership between labour and management which we could examine. I spent some time in Europe this year and I was much impressed by the co-operation I saw in certain European countries where I found evidence of an increasing understanding in this field which was helpful to all those concerned, to those they loved and to society generally. I commend to the people of Canada the excellent discipline which has been shown by the people of Switzerland where the problems of labour-management relations have been solved for several years, where automation is not opposed and where industry has been so productive and successful that it has been necessary to import workers from abroad to an extent never before equalled.

During the early thirties labour strife had presented such problems that labour and management, which had always considered each other as institutional adversaries—what was good for labour was supposed to be bad for industry, and vice-versa—became fed up with this state of affairs and began to seek a way out of the impasse. Two men, one of them Conrad Ilg, president of the Metalworkers and Watchmakers Union, and the other, Ernest Ducbi, president of the Swiss Association of Industrialists, both of them friends of Albert Schweitzer, were largely responsible for the events which followed. Together they signed a peace agreement for ten years concluding in 1939. This agreement was accepted by all leading unions and it was subsequently extended for three further decades.

The Chairman: I regret to interrupt the hon. member for Leeds but I must remind him that the time allotted for his speech has expired.

Mr. Matheson: Could I be given a few moments more?

The Chairman: Does the hon. member have unanimous consent to continue?

Some hon. Members: No.

Mr. Diefenbaker: Mr. Chairman, the matter before us is one of grave national importance—accelerating inflation in respect of which the opposition has asked for action for months and in respect of which the government has failed to act.

Apparently, to judge by the general tenor of speeches made by government members, a new responsibility will rest on members of the opposition—the responsibility for failure to meet the serious situation. Of course, those hon. gentlemen realize that only the government can take action in respect of these matters. Only governments can deal with these things, and members in other parts of the house have neither power nor right to introduce legislation of a financial nature.

We have pressed for action and have been met by derisive contempt. The Minister of Finance has made frightful mistakes. Yesterday he had to admit that he was $150 million out in the estimate he made of expenditure at the time of the introduction of the budget.

We have the cabinet made up of those with orthodox views and also a revisionist group. The Prime Minister belongs to the latter. They make changes from time to time. I can recall no important measure of legislation introduced in this house by the government which has not sooner or later been completely altered. This is a government which does not know where it is going. Over and over again this has been shown. What a galaxy of calisthenic performances we have witnessed with ministers having rugs pulled from under them. It was a performance which the house had never previously seen. Both the Minister of Labour and the Minister of National Health and Welfare made their speeches on the labour question last week, and as they concluded the Prime Minister pulled the rug from under them.

• (12:40 p.m.)

Again we have an example of another minister in that category, the Minister of National Health and Welfare. Yesterday he found himself in that very uncomfortable position of being flat on the floor because of the action of another minister. What a strange performance between the revisionist and the orthodox groups, the competitors for leadership, a struggle extending far beyond the ordinary purview of the front bench, with each following his own course. I tell the Minister of Finance that recently he was one of the leading horses but he slipped back.

Mr. Sharp: I still have my smile.

Mr. Diefenbaker: I do not know what position the Minister of National Health and Welfare now occupies in the race, but from his understandable appearance this morning

it is obvious that he is not pleased. Indeed, last evening when the Minister of Finance spoke on the radio he said in effect, "I can understand he feels badly."

Where is the consistency? The medicare legislation was bruited around as a wonderful piece of work. We said it would not work in the form in which it was presented—

Mr. Sharp: Were you opposed to it?

Mr. Diefenbaker: —that it could never become effective with some of the provinces not participating. No matter what the government may say, its postponement is simply not on the basis that it would be a contribution to inflation. That is an excuse. It is simply the result of the power struggle going on within the cabinet.

Mr. Sharp: Pure fabrication.

Mr. Diefenbaker: I have heard the minister talk about fabrication previously, and may I say there is no one more authoritative on that subject than the hon. gentleman. He does not even know that there is inflation. The copy of his speech that he gave to the press yesterday was headed, "The Need to Prevent Inflation." Doesn't he realize that we are now in the midst of inflation and that it has been accelerating?

I recall when we sat on the government benches and looked at these paragons of political and economic perfection as they told us what to do. I remember what they said: "Place us in office and there will be no more deficits."

Mr. Sharp: We have reduced them very substantially. We have reduced them down to virtually nothing.

Mr. Diefenbaker: They said, "No more deficits—we have got the solution."

Mr. Sharp: Yes, we use responsibility.

Mr. Diefenbaker: I realize that the minister is disturbed.

Mr. Sharp: I am not disturbed. I still have my smile.

Mr. Diefenbaker: If he is not disturbed then let him just maintain that smiling silence that becomes him so well. They said the day of deficits would be over, and instead of high taxes they were going to cut taxes. In the 1962 and 1963 elections 10,000 scholarships for university students were dangled before the young men and women of the nation. "We will bring them in," said the Prime Minister, "and at once."

[Mr. Diefenbaker.]

Those scholarships were dangled as sugar plums before the eyes of the students of the nation. Now, after three years, the government is going to make a saving by not providing the $10 million for those scholarships. Yet within the last few weeks we have embarked on an extensive expenditure program for other nations, accelerating the expenditures already made by Canada which is contributing greatly to international funds. At the same time the government says to the student body of Canada, "What we promised you we now find, after three and a half years in office, we cannot carry out."

It has been strange to watch this government. It has had recommendations from the Economic Council as to what should be done. It has had the advice of the governor of the Bank of Canada as to what should be done. The minister's speech was headed, "The Need To Prevent Inflation," and there is promise of additional taxes not to meet inflation but to meet other expenditures.

The increases in wages and salaries for the armed forces were announced by Mr. Lee—

Mr. Winkler: Carrots.

Mr. Diefenbaker: —weeks ago, and he said the amount was going to be large. That is how the government believes it will soften the blow of its ill-digested policies on unification.

Inflation is running wild. They condemned us; but we took measures to get the economy under way. In those days they did not say that the situation in the United States affected Canada, a time when there were 4½ million people unemployed in the United States, greater proportionate unemployment than we had, but today they say our difficulties are largely as a result of the situation in the United States. Isn't it strange? But the truth will out.

In the 1962 and 1963 elections they said, "The country is bankrupt." What about the attempted sales of government bonds recently? The reaction of the investing public showed the loss of national confidence in this government.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Now the minister says that the longest period of expansion in the history of the country has taken place, that we have had a long and strong economic expansion in the past five and a half years. That is interesting. They now admit that the expansion began when we were in office, that by our action we started it rolling.

Repentance is not always followed by forgiveness. They repent now for the false picture they placed before the people of Canada. They knew better.

Mr. Bell (Carleton): The public won't forgive them.

Mr. Diefenbaker: What about the stock markets? They have gone down and down to the lowest point in two and a half years. What about the interest rates they used to complain about? They are now the highest in 40 years. These things have happened under this government of financial wizards who had all the answers. It is quite a picture. The picture has not been improved by the minister's belated speech yesterday. The night before he spoke on television and gave his considered opinion of the duties of an opposition. He said we were responsible and he could not understand what we were doing.

• (12:50 p.m.)

I recommend for the minister's reading over the week end the views of the Prime Minister as to the duties of an opposition—I may return to that in detail later—or the views of the Secretary of State for External Affairs, that longtime and able parliamentarian who this morning was promoted to the No. 1 position in the leadership stakes of the Liberal party by the *Globe and Mail*, a position which he will fulfil with dignity. I am referring to his position in the race.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: They say they are a minority government and if they were only a majority government, how they would be able to act. What about their allies? Whenever they need help they are always assured of Social Credit support, no matter what takes place, and this gives them a majority on every occasion. Indeed, the hon. member for Medicine Hat is the waterboy for the Liberal party on almost all occasions. But it is because they are a minority government that they have difficulty and are unable to act, so they say. This represents the attitude of the government but I never expected it to be so clearly revealed as by the minister the night before last when he said:

—this wouldn't matter so much in a house in which we had the dominant majority, but we have slightly fewer than half the members, and therefore what happens in parliament today and the attitude of the opposition is far more important than it has ever been.

Mr. Sharp: That is right.

Mr. Diefenbaker: When we were in the minority they did not think that. I never heard them arguing that way when we were in the minority. Then there are these immortal words:

If we were sitting there with 175 members we could ignore the opposition—

Mr. Sharp: Read the words.

Mr. Diefenbaker: This is the verbatim report of the minister's statement.

Mr. Sharp: Read the words exactly as they are. Read the following sentence.

Mr. Diefenbaker: The minister said:

If we were sitting there with 175 members we could ignore the opposition and say: "Well, you know that's just what you expect".

Mr. Sharp: Read the next sentence.

Mr. Diefenbaker: Did I not read enough?

Mr. Sharp: No. Read the next sentence.

Mr. Diefenbaker: The next sentence is:

But they are sitting in a position of much greater influence upon the outcome and therefore they should have a greater sense of responsibility than they are now exercising.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The minister has done this before, he is always willing to applaud his own words. This is further evidence of that humility of which we read which is so characteristic of him and is one of his abiding attributes. Is there a national crisis?

An hon. Member: Yes.

Mr. Diefenbaker: I think the situation is very, very serious. We have been pointing that out for months. It has been described by the Prime Minister as a disaster. There is fear creeping into the thinking of the people, fear of a potential recession. Have the government acted? They have pushed it aside. The minister does not admit it yet because the heading of his speech is, "The Need To Prevent Inflation".

How is the minister going to prevent inflation? He is going to prevent it by imposing extra taxes so the government will be able to provide for the old age allowance of $105 a month for those in need and extra salary and allowances for the armed forces. Why is there delay in this regard? Inflation has picked the pockets of all Canadians. The depreciating dollar is becoming the vanishing dollar, but the government's attitude, as the heading of the minister's speech says, is still; "The Need To Prevent Inflation".

They said they were going to cut expenditures if they came into office. The minister says: Let us tighten our belts. This government is spending this year $1.6 billion more than we did in the last year we were in office. All across this nation promises were spread around by the Prime Minister—here a building, there a building, here a rink, there a rink. The situation is serious and the responsibility in large measure is the government's.

Somebody suggested today that we were the ones who asked for increased salaries. This government has been piling on high salaries for the top civil servants. Did we ask for those things? What about the expenditures that were expected but now are held up? The dreams of the Minister of National Defence as he marches in martial array into greatness as a competitor in the race? There was to be an expenditure of $100 million for a defence establishment of I do not know how many storeys. They say it will be less than that, but I am referring to the original estimate. Another minister thought we should spend $6 million on a picture. That is the philosophy of the government. Yet the minister tells the people to tighten their belts. Why doesn't he tell that to his colleagues, because they are not doing it?

Mr. Sharp: Mr. Chairman—

Mr. Diefenbaker: I have the floor. If the minister wants to answer afterwards, he may. Why doesn't he say that to his colleagues? On every hand they are spending. It has become a colossal race between ministers to find out what new plans they can evolve that will mean the expenditure of money. The government does not yet know that there is inflation, because the subject of the minister's speech was "The Need To Prevent Inflation." Small business across Canada is being driven out on every hand, unable to get money. Interest rates are mounting to a degree never before equalled. What does the government do? It just plays around with this problem. What is the reaction of the small businessman across Canada? Thirty thousand of them in one organization have already asked for guideposts. The Canadian Importers Association has said it has asked for guidelines, as has the Retail Merchants Association. If there be need to establish the fact that there is inflation, you just have to meet the average Canadian today and find out. Last night the minister announced what is described by the *Gazette* this morning as the autumn budget. It is a withered leaf. It is a promise that something is going to be done five, six or seven weeks from now. This government has been very self-satisfied.

• (1:00 p.m.)

We have been asking for action but we have received only contemptuous and smiling evasions of our requests. Indeed, on July 14 the hon. member for Northumberland asked the government what it was going to do about the situation and the minister said, as recorded at page 7663 of *Hansard* for that date:

> A great deal of our legislation is already having that effect—

He meant that it was containing and counteracting inflation. This government has refused to take any action.

Let me read from a special issue of the *Gazette* dated September 3, 1966. The heading is "From T-bone Steaks to Cat Food, Prices Are Up, Up...And Up". The article then states:

> Across the board, prices on the food market shelves are moving up and up . . . and up.
>
> Sometimes it's only a penny a can, sometimes about 100 per cent increase . . .
>
> The causes are many and varied . . .
>
> Housewives feel the pinch when they pick up a package of bacon priced at $1.35 which sold for 89 cents a year ago and 69 cents the year before that—an impressive and costly increase of almost 100 per cent in two years.

Let me ask this question, and I think the answer is obvious. Who is getting this thick layer of fat?

Let me continue with this article which states:

> Tomatoes, which in some stores sold for roughly 15 cents a pound last year, now cost 35 cents a pound in the same stores.

The article then covers the whole picture and states that $10 bought a pile of groceries a year ago but that the same pile of groceries today costs $13.08.

The index does not tell the true story even though it does indicate a tremendous increase. We had the benefit of a speech over the air by the minister in which he suggested that the opposition was to blame, and now we have had the benefit of the speech he made yesterday. We have been asking for action but what is now being produced? What is going to be done to meet the pickpocket of inflation? The President of the United States described inflation in striking phraseology. He said that inflation is an enemy which eventually makes victims of its allies.

Mr. Sharp: And there is one of the allies speaking now.

Mr. Diefenbaker: Mr. Chairman, the hon. gentleman holding the powerful position of Minister of Finance says that we are the allies of inflation. Is it any wonder that one begins to question his thinking regarding the function of an opposition? What he says is that if we were not here in large opposition the government could tell us to take a jump in the lake. That is his attitude and it is a denial of the basic principles of democracy and parliamentary government. The minister knows that, but he still has that senior civil service mentality that affects so many of the frontbenchers of the Liberal party.

Mr. Sharp: The hon. gentleman has never learned anything.

Mr. Diefenbaker: Prices are increasing at a gallop but we find that farmers are not reaping the benefits of these tremendous increases. I do not have the latest figures available but as of 1965 the farmers' share of the dollar paid by consumers was 40 cents generally across the board.

The government is going to increase taxes. It increased taxes last April by 10 per cent to be paid by all except about 40 per cent of the people. What effect did that have? It now takes about 14 hours of a 40-hour week for the average Canadian taxpayer to pay for federal, provincial and municipal taxes. Prices are increasing as never before and the minister says that some action should be taken to meet potential inflation. His words, undertakings and actions are almost effective as a rubber mallet. He tells the people not to spend too much and to start saving something. Perhaps the government should think of doing the same. The government suggests that action must be taken, but the action they recommend is nothing more than a palliative caricature of action.

What will be the result of the announcement made by the minister that within a month or six weeks there is going to be a baby budget? He has announced in advance what it is going to contain. This is the first time I have ever known such an unconstitutional thing to happen, at least since Mr. Gordon had three boys fix up his budget. The minister announced that there would be action five, six or seven weeks from now. I can now only think that the hon. member for Davenport, the former minister of finance, will become even more attractive to his supporters than he has been, at least by comparison, because what he did appears to be brilliant compared to what this minister has done in announcing what action will be taken six weeks from now.

What will be the effect of this announcement? What will the individual do as a result of the knowledge that something is going to be done? Business will be unable to make plans, not knowing exactly what is going to happen. Everyone will want to know when, how and where tax increases will hit. I suggest that the minister's announcement will bring about the greatest uncertainty in the economic field that this country has ever known. Everyone will have to look ahead weeks before knowing what they should do.

I do not think the government has any plans. They have not been able to bring together the orthodox and the revisionists with the result that they have no plans. They now suggest that if we get out of here they will go to work and come up with something. We want action to be taken and we want it to be taken now, not next month. We are here now and we should deal with the situation. The question of inflation is the most important matter facing Canada today. What will happen in the next six weeks? Prices will climb and climb and individuals will hoard and accumulate. The result will be economic uncertainty in the nation. Why not bring in legislation now? That is a very simple question.

Our attitude is this. Canada faces a difficult situation and unpopular courses must be followed. If the government will go ahead and act now instead of playing with this problem, we will co-operate to the fullest degree in taking effective action in the national interest.

• (1:10 p.m.)

The minister has not as yet put forward one suggestion of any effective action to be taken. By how much is he going to cut expenditures of various departments today accelerating? Why is it that in his estimate of expenditures he is already out by $150 million since the budget was brought in? Can something not be done to control these grasping ministers, each building an empire for himself?

We want action now. If the minister will propose effective action we will be prepared to stay and support it to the fullest degree. As a result of his failure to act, we are faced with a national crisis. We will co-operate by supporting effective legislation. We ask the minister to take action rather than tell us to go home now and deal with the Bank Act

when we come back. How they kicked the matter around to find an interest rate, and what fighting went on in the cabinet between the orthodox and the revisionists. The fight is still on.

While they disagree the economy suffers. They proclaim in loud voices what they will do five or six weeks from now and they swallow silently when action should be taken now. Why not bring in legislation? What intermediate measures has the minister in mind? Let him bring them in. Postponing action for weeks will result in employees stiffening their demands. What about the small group which profiteers at the expense of the nation? What will they do during that five or six-weeks period? They will be encouraged. About two months will elapse before legislation can be brought in. They will be two months of grace extended to the hoarders and to those who will make a run on durable goods. An upward pressure of prices will result. There can be consumer panic in the face of threatened legislation if action is not taken immediately. We ask for that action.

In the field of labour the government, by the 30 per cent settlement which was brought about in Montreal and on the Great Lakes, made it impossible for the responsible union leaders of this country to stand. The Pearson formula is now accepted as having received governmental approval. We were not to blame for that, were we? We asked you to get it settled.

Mr. Sharp: That is right, at any price.

Mr. Diefenbaker: That there was a suggestion that the matter be settled at any price is an unadulterated departure from the truth.

Mr. Sharp: Just as is what the hon. gentleman has now said.

Mr. Diefenbaker: I do not think that what I just said was unparliamentary. If it was, I will substitute for it by saying that this is another of the minister's terminological inexactitudes.

Why did you not bring the matter of the 30 per cent settlement before the house? You wanted to play around with the problem and bring about a solution by offering more than was actually asked for in one case, I believe, so that you would be known for settling labour difficulties. You set greater fires of inflation than have ever existed before. What is happening? Profits of food companies are going up and up. A committee will be set up by the house to ascertain what is happening. What has the government been doing? While pockets were being picked by inflation the guardian and his government were asleep. I say this in spite of the highly commendatory eulogy of the minister given by the hon. gentleman who preceded me. He deserves a promotion.

What about prices of commodities in the future? I quote a man who is politically removed and therefore cannot be suspected of being activated by other than the facts of life. He is Maurice Amyot, president of the Grocers' Association of the province of Quebec. The day before yesterday, September 7 *Le Soleil* quoted him as saying: "Prices for groceries are going up 15 per cent to 18 per cent in 1967." These are the facts and the government will not act. Surely the minister should decide that the time has come to act now. Last March he gave a clarion call for restraint, but it fell on deaf ears. The deafest ears were those of his cabinet colleagues.

This government does not follow its own rules. The newspapers reported the Minister of Industry as saying that Canada had bought seven jets from France which would be used by cabinet ministers.

Mr. Pickersgill: I am sure the hon. gentleman does not want to repeat that misrepresentation. The statement has been denied categorically a dozen times.

Mr. Diefenbaker: It has been denied but the purchase has not. It was a completely unnecessary and unjustifiable expenditure.

Mr. Pickersgill: The hon. gentleman says that the transport services of the department are unnecessary.

Mr. Diefenbaker: The government does not wish to bear the expenditure which they ask other people to bear but they willingly impose taxes.

What action can the minister take at this time? I would think that, having regard for the constitutional position and in co-operation with the provinces, he should endeavour to bring about agreement for legislation to be passed by both the federal parliament and the provinces. Indeed, when I suggested it the Prime Minister admitted that this was going to be done. On August 29 I asked that the government call together the provinces with a view to reaching an agreement on some form of co-operative legislation. The reply of

the Prime Minister, as it appears in *Hansard* of that day at page 7761, was:

Mr. Speaker, on September 14 there is to be a meeting between the federal and provincial ministers of finance. This very important matter is on the agenda and will be discussed with the provincial ministers of finance at that time.

• (1:20 p.m.)

When the provincial treasurers across this nation heard about it they said: "There is nothing to it, we have never heard about it." The Minister of Finance answered for the Prime Minister two days later and said that there should be action along that line. The provinces are just as anxious as we in the federal arena that galloping inflation shall be met. The Premier of Quebec announced yesterday he is going to set up a committee of the legislature to consider this matter.

There should be a strengthening of the combines investigation staff so that a thorough examination may be made into unjust price fixing, price fixing resulting from demand. There should be set up immediately a price spreads commission. The information is largely available now through the Economic Council. In addition, there should be the fullest investigation into the whole problem of unjust and unfair profiteering. It is occurring. All you have to do is go to the stores and markets to know that today's price is different tomorrow. Yet we are asked at this time and under these circumstances to wait another five, six or seven weeks so the government can think of some plan.

So serious is the matter in connection with food that if one examines the periodicals one finds that in many cases food items are 25 per cent higher than in the United States. Why is this so? We want action. We are prepared to stay here. Produce your legislation. Do not postpone consideration for six weeks. At the rate prices are going up the dollar will be a vanishing dollar. The problem is a tremendous one. The implications to our nation demand action. The suggestion was made by the hon. gentleman who preceded me that, whatever the constitutional difficulties, we do not have to pay attention to them; at least, that is how I interpreted his words. I do not accept that view. I believe that the provinces would be only too willing to co-operate to meet a problem that is eating at the vitals of this nation.

No longer can the minister say that the opposition is to blame. Bring in your legislation. You have always tried to tie somebody to the stake for your responsibility. As I listened to the minister the other night I must say that his description of me, by inference, could only be applied to His Satanic Majesty. I am to blame for almost everything. No matter what this government does not do, it is the Leader of the Opposition who is to blame. When I think of the three or four years of calumny that has been heaped on me, when I think of the colouring books, the truth squads, the pigeons, and all those other instruments, mental offspring of some of the members now sitting on the front bench, I realize that they have tried everything. Those in the press who support them have joined in. They pictured me as suffering from an incurable disease. I have an incurable disease and it is this, the desire to do something for Canada.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: They spread these falsehoods. They put them in their literature. However, I never expected that a man with the wide experience and benevolent appearance of the Minister of Finance would go on television and place the responsibility on the opposition. We say to you now that many of the things you have done we pressed for. You did not want to do them but you had to do them for the benefit of the people. We say to you now, keep parliament going. Do not send us home. Act now, because what you have done in the production or revelation of a budget to be introduced only in six or seven weeks is a constitutional contravention. It is a detriment to Canada. We ask you to bring in your baby budget now. Certainly, it did not take long for the gestation. One day the government said it was not going to have it and the next day the government said, we are going to produce a baby budget. Bring it in and we will join with you in a spirit of co-operation in the national interest provided you do something effective, because this is a dangerous situation.

I am not very hopeful that the challenge will be accepted because you have not an idea in the world about what should be done under the circumstances except to criticize the opposition.

Mr. Sharp: Would the right hon. gentleman permit just one question, Mr. Chairman, a very mild one? Is it not so that you give notice of budgets quite a long way in advance? This has been our constitutional practice for years and years and was the practice of the right hon. gentleman.

Mr. Diefenbaker: Always, but you have already said what you are going to do. You have said, we are going to have a budget but this time you have said what you are going to have in the budget, including taxation in order to cover certain matters. This is where you made your mistake.

Mr. Sharp: I deny this categorically and I defy the right hon. gentleman to show anywere in the statement I made anything of that nature except with respect to one matter already announced to this house, namely, that when the guaranteed income program was brought forward there would be an increase in taxes. This is well known. Otherwise I was very careful to make it clear I was not committed to do anything else.

Mr. Diefenbaker: Not committed to do anything.

Mr. Sharp: Exactly.

Mr. Diefenbaker: I agree with that.

Mr. Sharp: Have it whichever way you want.

Mr. Churchill: The last word of the minister was, "exactly", and *Hansard* has it.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, yesterday morning a social worker called me from Vancouver. She was deeply concerned about the impending debate on inflation and the cost of living, and she communicated with me to find out whether anything was known or could be gathered about what was going to be done. She was concerned not only about the low income groups but because of the general state of affairs in the city of Vancouver where the cost of living is now beginning to cut deeply into the moderate income groups above the poverty level with which social workers are concerned. I was not, of course, able to tell her anything about what would be in the minister's statement. However, I know quite well how that social worker is feeling today. I believe that even in her deepest moments of concern she could not have foreseen the completely devastating statement made by the Minister of Finance last evening.

• (1:30 p.m.)

I do not want to misquote the Minister of Finance so I will use his exact words as they appear in *Hansard*. First of all, in regard to the winter housebuilding program he said that the decision had been taken to discontinue the winter housebuilding incentive program. In regard to research grants he said that the government will have to exercise more restraint in the rate of increase this year. The minister may explain that in any way he sees fit, but to the ordinary person that means in plain English a cut-back in research grants.

Mr. Chrétien: No.

Mrs. MacInnis (Vancouver-Kingsway): Yes, that is what it means in plain English.

Then the Minister of Finance went on to say that the scholarship program, which it had been the original intention of the government to introduce this year, will be deferred, but he made no attempt to say for how long.

Fourth, he said that the agreements with the provinces in support of certain forestry programs expire next March and the government has decided that they should not be renewed because, he added, the government felt that the provinces could carry on without such programs. That is again a highly debatable point, especially if the views of the provinces are taken into consideration.

In regard to medicare I would not even try to paraphrase what he said but will read his words from *Hansard* as they are recorded on page 8217:

> We have decided that we must defer the commencement of one major program that is already before the house. Many of the provincial governments have indicated that they feel we are attributing too much urgency to the introduction of full medicare programs right away, and they do not feel prepared to proceed to put such programs into effect next summer as provided for in the bill before the house. We therefore propose to defer the effective date of the plan for a year until July 1, 1968. The legislation will be proceeded with in the house as a high priority item when we reassemble at the beginning of October. The government has no intention of changing the substance of the bill other than its effective date.

I wanted to say "dishonest" but I do not know whether that expression is parliamentary. In any event, it is not honest to say that this matter has high priority and should be rushed through the house this fall when it is pigeonholed until one year from now. No one in this country will be fooled by such tactics. People know that this is merely a device to try to trap the public into thinking that the matter is being advanced a stage further.

Let me suggest, Mr. Chairman, that what the minister did last night in this regard was to put the whole medicare scheme back a long, long way. We were on the verge of

having that scheme in June had we given first reading to the bill that afternoon. Now neither the government nor anybody else knows when medicare will become effective, its date of application. What some of us said in June is equally true now, namely, that the interval of time between today and July 1, 1968 is going to be used by all of the forces opposed to medicare in order to delay and, if possible, prevent entirely the bringing in of a medicare scheme.

In regard to old age pensions, let me again repeat the words of the minister relating to that other big program, as reported at page 8217 of *Hansard*:

> When we have before us, perhaps in late October, the measures to authorize the increased revenues made necessary by the income guarantee plan we will be able to review our general fiscal position and consider what changes are desirable in the light of the economic and financial situation.

Translated into plain English, this means that the whole question of an increase for the old age pensioners is once again left in doubt. Perhaps the Minister of Finance knows when the matter will again be brought forward, but outside of the Minister of Finance nobody has any idea when in the world anything will be done for the old age pensioners of this country. This is true also of members of the government. I suggest that what this debate and the announcement of the Minister of Finance yesterday have done is to reveal beyond the shadow of a doubt who is the strong man in the Liberal government. There may have been doubts about it before but I do not think there remains even a shadow of a doubt now.

The Minister of Labour got his some time ago, as did the Minister of National Health and Welfare and the Minister of Manpower. Each one of them was slapped down, and we now finally see who is the real boss in the cabinet, the Minister of Finance. He has shown that the reason he is boss is that he speaks for the people for whom this government is really legislating, the big financial and corporate interests of Canada. This has been revealed by this debate. That is how we feel about it.

Yet, Mr. Chairman, this is the government that less than a year ago went on platforms throughout the country and on the radio and television stations of Canada and said to the people of the country: "Elect us and we will give you a winter works program and other necessary things which should be done. We will give you a vastly increased research program. We will give you programs to aid the students in our universities and other institutions of higher learning. We will give you a medicare program absolutely, definitely and unshakably, by July 1, 1967. We will give you a better deal for the old age pensioners". The Prime Minister was reported to have said that the better deal would be in the neighbourhood of $125 a month.

These are the things which were said by this government when they were purporting to represent all of the people of this country. They made a particular appeal to the people who really wanted help from government, people with low incomes, people who were less secure and had less of the affluent society which we are told exists around us. All this has happened this year.

I contend that the people of Canada are not going to be deceived now by these lame excuses. The government has shown whom it is really representing. It is the big, vested financial and corporate interests of this country. I do not care what the members of the government say. Let them wag their heads in denial. When the chips are down and the programs come in, these are the people who benefit from the fiscal and economic policies which are being put forward by the government. This was demonstrated only too well and too thoroughly by the Minister of Finance yesterday.

The former minister of agriculture referred to the statement of the Minister of Finance yesterday as being a complete victory for the establishment. I call it a devastating defeat for the ordinary people of this country. Still further, I call it a "punish the poor" policy. We have always known that the worst crime to commit in this country is to be poor. We now find that the punishment is fitting the crime and becoming the most severe punishment imaginable, a cutting off of the very means which are needed in order to have a moderate and decent sort of living standard in this country.

I want to indicate, as I have already said, that those who get hurt the most by these policies are those who are the least able to protect themselves. A number of us have been brought up to admire the tradition of the sea, which is something we in this western democracy should be proud of. In cases of shipwreck or disasters at sea the tradition is for women and children, the weak and helpless, to go to the lifeboats first while the others, the strong men, stay on deck and go down with the ship if there are insufficient safety devices available for all.

What do we find in the statement of the minister, Mr. Chairman? At the first sign of economic heavy weather the women and children, the sick and the poor, the helpless and the young people who need education, are herded not into the lifeboats but are dumped into the sea so that there will be easier going for those whom this government is really seeking to protect. Let us not fool ourselves about that. That sort of thing is not going to stop with low income groups.

• (1:40 p.m.)

I well remember a story that hon. members will have read in their school days. I refer to the Masque of the Red Death by Edgar Allan Poe. In the story the powerful, the affluent and the comfortable seated themselves in a castle while the red death was raging outside, under the impression that they were secure because they were comfortable and because their incomes were sufficient, so to speak. They thought they were protected from the read death outside. As the story goes on, a horrible certitude creeps in that the red death in time will penetrate even to these people in the very centre of comfort and security. This is what will happen if we continue with this sort of policy, because what is wrong with the Canadian economy is that it suffers from a complete maldistribution of income, power and wealth. This is what must be dealt with.

I will read the testimony of a couple of witnesses. Here is what Claude Jodoin, President of the Canadian Labour Congress, said recently:

> Worry about inflation never seems to arise until workers ask for their share of an even more prosperous economy. Wage increases obtained by some groups this year have followed huge rises in corporation profits and an increase in the cost of living. Looking at the Canadian economic scene as a whole, we find that between 1961 and 1965 corporation profits, after taxes, rose by 67 per cent while, in the same period, average weekly wages and salaries went up only 16 per cent. It is obvious that Canadian corporations have not only failed to share this prosperity with their employees but they have also deprived Canadian consumers of benefits which could have been provided by these prosperous conditions.

If we had a government that was concerned about protecting the people of this country and the consumers of this country, surely it would be proposing that corporations, the profits of which have risen by 67 per cent, should be heavily taxed rather than blaming the poor or groups such as railway workers who have demanded increased wages so that they can have enough to live on. This is the sort of thing I am talking about.

[Mrs. MacInnis (Vancouver-Kingsway).]

I shall now quote another witness. He is a former vice president of the Canadian Federation of Agriculture. Before that he was the president of the Farmers Union in Alberta. This is what he had to say the other day:

> In the past 15 to 20 years, the dollar return to the farmer for farm produce has been, on the average, less than the take-home pay of labourers working for $1.00 per hour or less. Within the total group of farmers are some 10 per cent who, because of certain circumstances or conditions, are able to maximize these returns into large incomes.
>
> Another 20 per cent manage fairly well and depend on inflated land values to give them a decent retirement fund. The other 70 per cent continue on a day to day basis with day to day commitments that are dependent on their ability to sell something even if that sale gives them no profit. Their whole situation is created because of their effort to get into the 30 per cent category by operating on term credit.

And so on. This farmer is not taken in by the language that has been used about labour to the effect that it is the organized trade unions that are robbing him of the value of his produce. He puts the matter better than I could and I will use his words. He says:

> The real issue is the continuation of archaic attitude toward the distribution of wealth and purchasing power. It is the attitude that some people have more right to wealth than others. It is the attitude that some people make greater contributions to the production of wealth than do others. It is the attitude that insists the only way that wealth should be distributed is by the individual's capacity to compete for it, without recognizing the fact that there is no longer any free competition between individuals for the wealth they, as a whole or a group, make available to a nation.
>
> It is imperative therefore that at this particular time it is necessary to rise above the side issues presently being argued in the press, radio and street corners. The rail strike, packinghouse strike and various other protest actions are only symptoms of the real crisis, maldistribution of purchasing power.

These are the things that we agree with. We say at this time, when we speak of inflation and other economic difficulties, that to use the present policies against the poor, against those of modest income, against the farmers, the organized workers and the sick, is merely compounding the difficulties and setting aside terrible troubles for a day of reckoning that is bound to come.

We must stop talking in terms of averages. The trouble is that we think of people in great big lumps. We have come to the conclusion that because the average person is getting along all right and the average wage or average income is adequate, we need not worry. That was exactly what was said by the smiling face of the Minister of Finance as he assured us that everything was just fine. God is in his heaven, everything is all right

in his world. But the Liberal party is not managing to deceive the rest of us about what is going on in the country.

It is not true that people are averages. Averages do not eat, wear clothes, pay rent. But people do need food and do pay rent and wear clothing. We must provide ways and means for people to be able to do these things.

We must stop using the old clichés. We must stop kidding ourselves with clichés and get down to the business of finding out how to provide a decent, reasonable standard of living for the people of this country. There are people in this house who have been impressed with the elaborate economic jargon we have heard. I say to them that there are many people in Canada who believe that the business of government is to run the affairs of the country so that every man, woman and child in the country will have a chance to have a modern, decent standard of living. It is the business of government to provide a contribution to the welfare of the country to make that standard of living possible. That is what we are here to do.

We have to do two things. First, we must establish a guaranteed annual income for the people of Canada. We have got to do that today, without waiting for this year, next year, some time or never. As I say, we must do that now. The Minister of National Health and Welfare has been talking to people about the need of having a guaranteed annual income. The Liberals of western Canada, when they met recently, passed a resolution urging that the question of a guaranteed annual income be gone into. The Minister of Agriculture has provided some sort of guaranteed income for farmers who give up their farms under the ARDA program. That has been embodied in the agreement between the federal government and the province of Ontario.

In a recent editorial the Vancouver *Sun*, which is as staunch a Liberal party organ as can be found in this country, had this to say on August 1 of this year:

> The idea of a national guaranteed income is worth considering. Credit must go to Health Minister Allan MacEachen for raising the possibility during his recent visit to Vancouver.

And so on. Then, going on to examine certain things that have been raised in the Liberal party, it says:

> There are, however, a lot of questions to be posed. Can you guarantee an income and a cost of living to match it? Is it right to propose a costly welfare program in times of inflation? Most important, would GI destroy incentive?
>
> There is raised the curious possibility that in a Utopian society circa 2,000 we might work for fun because we'd all be paid a fixed wage for doing nothing.
>
> But it could well be that a guaranteed income is the most effective method of fighting poverty, ensuring employment, promoting stability in labour-management relations and administering welfare.
>
> It can be done without the kind of means test which is so abhorrent to critics of the present welfare system, either by straight subsidy or by a negative income tax.
>
> It is worth a look; but a very sober and far-seeing look.

That is not a sudden convert to socialism speaking, or anything like that. That is the very sober and sometimes very reactionary Vancouver *Sun* editorially speaking words of sense and of good, sound wisdom in this instance.

• (1:50 p.m.)

I suggest that if the Minister of Finance would try to find ways and means of putting buying power into the hands of the poor, those who need it, many difficulties would be solved and there would be no need to pace the boom and so on. He should do some solid thinking about getting a guaranteed income into the hands of the public because it has been seen that a guaranteed income works very well for some of us. The minister should pay some heed to the case for getting a guaranteed income into the hands of the people who need it today. Guaranteed income works beautifully for members of parliament. It works beautifully for senators. It works beautifully for civil servants. Why would it not work well for people who have no means of getting a good steady income or enough income to make a decent standard of living possible? This is one of the things that should be done right now to deal with the situation.

A second is to explore ways and means of stabilizing the cost of living at a level which those on guaranteed incomes can afford to pay. The two are tied inextricably together and cannot be dealt with separately.

I know the Minister of Finance will be attending a conference with the premiers of the provinces in the coming week. I also know, because he has told us so, that he is not going there with any plan having to do with prices and wages. I wish that for once this federal government would go to such a conference with a program to lay before the premiers.

I agree entirely with the views of the Leader of the Opposition on this point. I

believe the provinces would welcome a well-conceived plan from the federal government designed to stabilize the cost of living for the consumers of this country at least as far as food, clothing, rent, household articles and medical care are concerned. These are things about which the provinces are worried and there is no reason in the world why the Minister of Finance should not go to this conference to seek a delegation of provincial powers to the federal government in order to help stabilize the cost of living and fight inflation. Certainly it would be a brave provincial government which would say no if the federal government had a good plan for stabilizing the cost of living and if it sought a delegation of provincial powers to enable it to carry out at least the beginnings of such a plan. I believe this should be done.

There are, of course, many difficulties in the way. The minister has spoken about difficulties. He should know what they are because he had a hand in this sort of thing as a civil servant during the second world war. I suggest that the real difficulties are neither constitutional nor administrative. What really prevents the Prime Minister going to the provinces with a program to stabilize the cost of living is the absence of the will to do it. That is the greatest difficulty. The Minister of Finance and the cabinet behind him have today proven that they are the servants not of the people of Canada who need them but of the people who do not need them, the big financial concerns and corporations of this country who can help themselves and who have already done so.

I wish to turn to some of the things which we believe should be done and deal with them briefly. We believe a start should be made by reversing the decision to cut back certain programs. Provision for medicare and the old age security program should be continued as formerly planned. To cut these things is a disaster. The old age pensioners have scarcely been able to wait until the fall in order to get some relief. How will they greet the news that the government intends when the fall comes only to look at the fiscal situation and see whether anything should be done?

We believe the Prime Minister should go to the provincial conference with a plan to stabilize the cost of living. Parliament has already shown that it can and will place curbs on wages. It has done so. I suggest there are thousands and thousands of people in this country who will not be afraid of measures to control the prices of the things they need in order to enjoy a decent living standard. The only people who are afraid are the people who stand to lose by such a program of stabilization and control.

I think it is a good idea to get an investigation of this whole subject under way but I am under no illusion that this is likely to be a fast-acting procedure. I would point out that in the United States they have gone ahead a great deal faster than we have in Canada along these lines. On August 3 the Senate agriculture committee asked Secretary of Agriculture Orville L. Freeman to investigate recent increases in prices for milk, bread and other foodstuffs throughout the country. He got busy right away and asked the federal trade commission to investigate. In the course of its inquiries, which have been under way for most of the month of August, the commission brought to light some interesting facts which I should like to draw to the attention of the government.

Mr. Freeman himself testified before the city council committee in Manhattan. There and elsewhere he absolved the farmer from blame for escalating prices. He declared that while farm prices rose 6 per cent in the past year they are still nearly 2 per cent below the base period of 1947-1949, though retail food prices are 34 per cent higher.

Further, he declared that in 1965 consumers paid a total of $77.6 billion for farm-produced food, up $34 billion from the base period. Of this gain he said that only $6.6 billion, or 19.3 per cent, "trickled down to the farmer". At the same hearing representative Lester Wolff, Democrat, New York, a former marketing consultant, laid the blame for some of the spiraling prices of bread and milk on wasteful delivery methods and collusive and corrupt practices.

At the same hearing officials of the Farmers Union and other farm groups argued that the farmer cannot be blamed for the price hikes in bread or other products. One of them, Harry L. Graham, cited a pattern of monopolistic price fixing and organization in the bakery field. In the meantime, representative Leonard Farbstein introduced a bill to impose a 90-day freeze on food prices. This was needed, he argued, in order to halt inflation.

These are some of the things that are going on in the United States. They are getting along much faster there than we are in Canada. Reference was made yesterday by my hon. friend from Nanaimo-Cowichan-The Islands to sacred cows. In Canada profits

have always been regarded as sacred cows not to be touched. But these things are changing. I read the other day that in India they are beginning to look around for ways and means of controlling the population of sacred cows in that country. They have even been suggesting that birth control might well be tried out on sacred cows as a means of popularizing it in other quarters.

I know these things will not be easy. But I also know they can be done by a government which really wants to do them. They have been done in time of war. The period in which we are now living may be a period of prosperity for a few people but it is a period of depression and misery for a great many. The alternative to action is strikes and more strikes as the stronger and better organized workers try to protect themselves, leaving those who are less well organized in still greater misery while those on the land are forced to abandon their job of food production.

• (2:00 p.m.)

Increasing numbers of people will be forced on to the relief rolls because they are not getting enough money to live on and the stage will be set for chaos and disorder. I suggest that now, before we are confronted with run-away inflation, is the time to deal with these things. I suggest that now, before inflation gets carried away by its own momentum, we should deal with it.

[*Translation*]

Mr. Pilon: Mr. Chairman, it can be seen from the speech made by the hon. Minister of Finance (Mr. Sharp), notwithstanding the opinion of the hon. members sitting opposite, that logical measures will be applied to remove the spectre of inflation.

Any objective measure in the interest of the Canadian people makes sense. We must admit that certain signs show that the danger of inflation exists. Canadians are going through a period of prosperity at the present time, a period of sound and productive investments. The economic growth we are experiencing is rational and supported by a tendency to consume more than we can produce. It is therefore useless to repeat here the percentages concerning manpower and productivity already mentioned.

Although in some areas of our production, consumption and productivity are balanced, in other areas a little more time will be needed before this equilibrium is reached by filling the gaps in manpower. One may gather upon hearing the speech made by the hon. Minister of Finance that the harsh measures mentioned in his speech, are timely throughout Canada. The cost of labour and social welfare programs, in relation to demand, is excessive; every citizen is partly responsible for the increase in prices. Under such circumstances, how can a responsible government act? As the minister has so rightly stated, and as several editorial writers have been repeating in the morning papers, it is by taking restrictive measures. For instance, by controlling capital expenditures, while giving priority to certain programs which are particularly stimulating for our national economy and maintaining full employment. Some social welfare measures will be deferred. Obviously, this is unacceptable to a party, from a political point of view, but you will agree that, in order to face up to such a situation, the government has no other alternative.

I see nothing drastic about the discipline which all Canadians should impose upon themselves. The right hon. Prime Minister (Mr. Pearson) repeated this during the last election campaign. We have seen several countries, which may not have experienced a situation similar to ours, accept to tighten their belt. New taxes may be levied, and provincial programs may also be viewed with a critical eye.

The situation in which we find ourselves today is being reflected tenfold. As for the social measures mentioned in the statement of the Minister of Finance, the poorer people of the country would be affected. Every measure included in this consolidation program will be applied, possibly at a later date, and they may also turn against the Minister of Finance and possibly the government.

Everything has been put aside to prove once again that leadership is a characteristic of the Liberal party.

Our country has progressive economists and other objectives; all that is needed is to weigh the welfare of all Canadians in all areas of our economy. Our financial and banking system is the best organized in the world, in spite of what some opposition party may claim; our institutions play an all-important role and, in years gone by, they have been a stepping-stone for our economy. These institutions have supplied statistics and surveys and have helped the government to complement controls without the least restrictive effects, which could have slowed down

the implementation of theories concerning productivity, manpower and consumption.

Industry alone controls our future as long as its development remains under Canadian control.

Enough pomposity; let us see action. I believe the program announced by the Minister of Finance must provide the assurance that we will go through this crisis and come out stronger than before.

We must understand that we are part of an economic entity very closely related to our neighbour to the south.

Mr. Chairman, let us ignore the gibes of the opposition, their empty speeches, their destructive criticisms, and let us show that we are the government, and let us govern in the best interest of all Canadians.

[*English*]

Mr. Hees: Mr. Chairman, when he gave his presentation yesterday the Minister of Finance simply described the situation which everyone in Canada knows very well exists in this country today. He told us nothing new, and he merely announced several additional negative steps which the government intends to take to try to shore up its obvious failure to curb inflation. During his presentation the minister very nearly broke his wrist trying to pat himself and the government on the back for what he termed the excellent job which the government had done in controlling inflation. I suggest it might be profitable for us to look at just what the government has done in this matter since the minister presented his budget last spring.

In his budget the minister forecast that during the next 12 months there would be an increase in the price level of between 3½ and 4 per cent. According to Dominion Bureau of Statistics figures released yesterday, the price index during the past 12 months has risen 5.5 per cent, and at this very moment is increasing at the rate of 7.2 per cent for a whole year.

• (2:10 p.m.)

This increase will go up even faster in the months ahead because of the 30 per cent wage increase guide lines which the government established a few months ago. The reason is, and it is obvious, that no union leader will dare to propose to his members that they accept anything less than a 30 per cent increase in wages because he knows that if he does he will be looking for a new job in the very near future. His union members will simply say to him, "The union leader of the Montreal dock workers got his people 30 per cent. The union leader of the seaway workers got his people 30 per cent, and these were authorized by the government of Canada. If you cannot get us 30 per cent then we will get somebody who can." That is the reason no union leader can agree on behalf of his members to accept anything less than a 30 per cent wage increase in the future.

Let there be no doubt that when the negotiations between the railway workers and railway management are concluded some time this autumn, the wage increase will amount to at least 30 per cent. These 30 per cent settlements, the pattern of which was set by the government last spring, will of course be passed on to the consumer, and will by that amount accelerate the rise in the cost of living.

If the program for controlling inflation which the government have been following is considered by them to be a success—and according to the minister's statement yesterday he obviously considers it is a success—I should like the minister to explain to the house what his idea of a failure would be. As I have said, the increase in the cost of living has been accelerating almost day by day. Several months ago the minister forecast an increase of 3½ per cent to 4 per cent. Yesterday it was announced by the Dominion Bureau of Statistics that the increase between August of last year and August of this year was, 5.5 per cent. During July the increase was 7.2 per cent, calculated on a yearly basis.

The causes of these increases are happening almost hourly. I learned during the lunch interval that the Minister of Agriculture, in a conference which he held this morning and at a press conference which he gave afterwards to announce the results, said that the cost of butter to the consumer was to be increased by 2 cents a pound and he promised consideration of an increase in the price of other products to the consumer. So we see that daily, almost hourly, this government, by increasing prices to the consumer, by entering into wage negotiations and forcing their views upon those negotiations, is increasing the cost of living by its direct action.

Therefore, Mr. Chairman, there is no question that the problem of inflation lies squarely on the shoulders of this government, and it is absolutely ridiculous for members of the government to claim that the opposition is irresponsible in this regard. I have already since the first of the year made several speeches in this house pointing out to the

government what would happen if they continued to maintain their present policies. I pointed out the inflation that would take place, and the results that would accrue from that inflation. My colleagues, to mention only two, from Prince Edward-Lennox and Simcoe East last spring also made very effective speeches, and almost every member of this party has been making presentations to the house outlining to the government what was going on from their personal experience regarding the increase in the cost of living.

We have been making positive suggestions as to what could and should be done to control the increase in the cost of living but we have always been ignored. We have been told that the government was pursuing the best of all possible plans, that the country had nothing to worry about, and all we had to do was sit tight, say nothing and put our faith in the government. The figures I have mentioned today outline clearly that we have come to a very serious state of affairs in this country and that from now on the voice of the opposition must be heeded by this government, because obviously they are unable to discern themselves what is the problem, what should be done about it, and present to the house concrete plans for dealing with it.

It is obvious to all of us that we are in a crisis situation regarding this runaway inflation, and that is not too strong a word to apply to it. It must be controlled. But unfortunately the government's plans, as they were announced by the Minister of Finance in his budget last spring and in his presentation to the house yesterday, are both negative and sterile. They are out of date. They are the old plans that were used many, many years ago and it is about time this country was treated to something more imaginative, something more modern and something more effective.

A good example of this sterile and negative attitude was illustrated in the minister's speech yesterday when he announced that the government intended to slow down the assistance which is being given to research and defer their scholarship program. As we know, one of the chief causes of inflation is low productivity which sends costs and prices up. Two of the best ways to increase productivity are, first, to increase research and, second, to increase scientific education. Through both these methods we will find out what are the best products for us to produce and better methods to produce those products. By adopting these methods we can increase productivity, lower costs, thereby lower selling prices and thus control inflation.

But what do we find this government doing? They are cutting out or greatly diminishing their assistance to two of the programs that can assist this country in fighting inflation. The kind of sterile, negative program which this government is following will achieve the same results as did an exactly similar program in late 1956 and early 1957, when their tight money policy and negative approach brought on a recession which was well launched when the Conservative party took office on June 21 of that year.

Having said that, Mr. Chairman, I think we should examine this question and see what can be done to deal with the problem of inflation in a positive rather than negative manner. We know that inflationary pressures are caused by too much money chasing too few goods. We know that these pressures can be reduced either by the negative method of decreasing the volume of money available to chase the goods or by the positive method of increasing the volume of goods available for purchase.

As one would expect, knowing this government, they chose the negative method and have been reducing the volume of money steadily over the past year by doing two things, first, increasing taxes and, second, imposing a tight money policy on the economy of this country. A young and growing country with Canada's potential for growth should be increasing, not decreasing, production, and it is shameful that we should be adopting the negative policy of decreasing production at this time. Increasing production was the policy of the Conservative party when we formed the government from 1957 to 1963, and that will be our policy when we form a government again in the very near future.

Some hon. Members: Hear, hear.

Mr. Hees: We have a right to ask ourselves why this government is not following such a positive program. The answer is that this situation resulted from a critical shortage of skilled labour in this country which this government permitted to occur. During the past year this shortage has become more and more evident. For some time it has been clear that the technical training schools which were established when we were in government and which have been doing a good job are unable to produce a sufficient number of skilled workers each year to allow production to expand fast enough to meet the demand for products both here in Canada and in export markets.

Supply—Finance

• (2:20 p.m.)

Earlier this year I asked the Minister of Trade and Commerce why our exports were not increasing at a faster rate and he replied that we in Canada could not produce enough goods to satisfy the Canadian demand and a growing world market demand. That is a shocking admission for the government to make. Once world markets are lost and customers find alternative sources of supply they are very often reluctant to return to the original sources. We are losing sales abroad which we will probably never recapture and we are losing the sales because we cannot produce enough in this country to meet the demand.

As a result of the shortage of skilled workers we do not produce enough goods to satisfy the expanding potential world markets or the Canadian demand which has grown tremendously because Canada has become an affluent society. This situation has caused inflation which is the problem with which we are faced today. Because Canada is an affluent society there is a great deal of money available for the purchase of consumer goods. People wish to satisfy their demands and desires and are bidding more and more for what has turned out to be a limited and insufficient supply of goods.

I suggest that this government should have embarked at least two years ago on a program which embraced the following four policies: first of all, a greatly accelerated program for training the skilled workers needed to carry out an expansion program to meet the increased demand for goods both at home and in the export markets; second, an immigration policy which would attract the number of skilled workers required to supplement the insufficient number being trained by our technical training schools.

Mr. Nicholson: Will the hon. member permit a question?

Mr. Hees: I will answer your question at the conclusion of my remarks.

The third step would be to create incentives encouraging industry to increase productivity and thereby lower the cost of manufacturing goods and the selling price. The result of this step would make our manufactured goods more competitive and in turn increase sales in the export market. The final step would involve a policy of providing industrial loans at reasonable interest rates so that Canadian industries could expand and keep pace with the world demand for products. This would of course reduce inflationary pressures at home.

These policies must be introduced even now so that this country can meet the problems associated with inflation and growth in a positive rather than negative manner. If the government refuses to take these steps it will soon realize it has blundered and pushed this country into another recession similar to the one which occurred in late 1956 and early 1957. When we took office we found that inflation was already well on its way and it took us some three to four years to pull the country out of it. I urge the government to throw away its sterile and negative policies, which is all they seem to be able to think of today, and adopt positive policies such as those I have outlined.

Mr. Nicholson: Mr. Chairman, the hon. member for Northumberland was good enough to indicate that he would answer a question. Does the hon. member not agree that the constructive policies and actions of this government over the last 18 months have resulted in almost tripling the number of immigrants to this country over 1962, with more than half of the breadwinners among them qualifying as skilled workers?

Mr. Hees: Mr. Chairman, perhaps the government has made a small move in the right direction but as yet the results have not been sufficient. As the minister knows, anyone in business who sees a shortage of labour developing accelerates his attempt to hire more skilled men. The shortage to which I referred was obvious and it should have been obvious to the government. The government should have made things so attractive in this country to skilled labourers abroad that they could not afford to do anything else but come to Canada. The minister must realize, having been a prominent businessman before coming to this house, that a successful businessman will lure skilled workers from his competitors in order to meet demand. That is exactly the policy that should have been followed by this government.

Mr. Nicholson: Mr. Chairman, I asked a very simple question. I did not quote the exact figures involved, but the program followed by this government resulted in an increase in the immigration of skilled workers amounting to three times what it was in 1962. Is it not a fact that the policies followed by the former government were such that the immigration of skilled and other workers

shrivelled between 1958 and 1962 from 200,000 per year to less than 70,000 per year?

Mr. Hees: That is a very easy question to answer and I am pleased that the minister has posed it. The former Liberal government which went out of office in 1957 had been warned of the impending situation by the so-called hidden report early in 1957. In spite of that fact and as a result of the negative and sterile policies of that government we experienced a recession that was well launched by the time this party formed a government, and it was not until 1961 that we were able to pull the country out of this difficulty. In spite of the former government's mismanagement and negative policies we were able to bring the country out of this recession and create a momentum that has not yet ended.

The problems faced by Canada during that recession were not related to the lack of skilled workers but rather to the lack of jobs. In contrast, within the last two years it has become apparent that there is a lack of skilled workers. We have unfortunately not been able to do anything about this shortage in the past two years because we have not been in office. I assure the minister that we will be back in office soon and something will be done to alleviate the problem.

• (2:30 p.m.)

Mr. Nicholson: Is the hon. member not in agreement with the fact that the policies and actions of the government in the last 18 months have resulted in almost tripling immigration as compared with three and a half years ago, and that the great majority of these breadwinners among the immigrants are skilled workers?

Mr. Hees: I should like to give the minister this answer. If he were the president of a company and was reporting on the company's activities at a directors' meeting—

Mr. Chrétien: Reply to the question.

Mr. Hees: I am replying to the question. If he were reporting to his directors that he had tripled a certain program but was still far short of achieving the objective the company set out to achieve, would he receive commendations from his directors? No, he would be asked why he had not gone a lot faster than he had. Obviously the minister thinks that any improvement is satisfactory. I will tell him on behalf of the Canadian people that it is not nearly satisfactory enough and that he had better get off his seat and get out and earn his salary, which obviously from his own words he is not earning at the present time.

Mr. Otto: Mr. Chairman, I do not intend to reply to the hon. member by blaming Tweedledee or Tweedledum back and forth. The fact is that while the opposition was in government the same mistakes were blamed on them, and I will not blame the opposition any more than I will criticize the minister. I think the minister did the best he could with the concepts he was given by his department. What I will take up with the minister, if I can debate with him, is that his staff, those keen young fellows who 30 years ago were great followers of J. Maynard Keynes who propounded a new concept of economics, have forgotten that times have changed.

Mr. Langlois (Mégantic): The problems are still the same.

Mr. Otto: I heard the hon. member for Northumberland say that inflation means we have too much money chasing too few goods and therefore if there is inflation there is too much money and too few goods. This is nonsense. It is quite possible to have inflation at a time of unemployment and with a surplus of goods. I have gone over the speech of the minister and I believe that many of the concepts on which he has based his policy are the same as those used by the Conservatives and the N.D.P.

First, there is the concept of supply and demand. Ever since the time of Adam Smith people have supplied goods and others, the consumers, have had to make a rational choice as to how they will spend their earnings and what goods they will buy. This is a presumption. The fact is that today the consumer does not exercise his own demand. Since the time of Adam Smith, and in fact since the time of John Maynard Keynes, we have had advertisements and psychological promotion. We now have the television medium and we have the use of every conceivable emotional method to try to get people to buy goods. The people who exercise control over promotion are the same people who manufacture the goods. In other words, the economists and, I dare say, to this day even the minister's staff, presume that if a manufacturer decides there is too much soap on the market he will stop manufacturing it and transfer his money to the manufacture of shoes or another commodity. This is nonsense; he does not do that. What he does is to

put another $50,000 or $100,000 into promotion and he says: Do not buy that other soap, it has too much suds; buy mine, it has no suds. Eventually he may even say: Eat soap, it is good for you.

The manufacturer and the supplier are one and the same person. They control both supply and demand, which alters the situation. There is supply and competition among the suppliers as to who will create the greatest demand. The supplier controls the demand through the powerful media of advertising. Does the supplier discriminate with regard to demand? Does he say, you should not buy a Cadillac, to someone who has an income of $2,000 a year? He does not. He does not care what the buyer's earnings are. He says: You must have a colour television set. He makes sure that the child goes home and says: "Daddy, are we so poor that we cannot have a colour television set? Everyone has a colour television set." Very powerful but insidious methods are used, and therefore to presume that there is such a thing as demand is incorrect.

Another phrase was used in the speech to the effect that a restriction of the money supply will dampen expansion. Normally this would be the case. In days gone by, when a manufacturer decided money was too tight he would not increase his sales or his production facilities. However, this does not happen these days. The supplier does not care as long as he can sell. If he thinks he can promote a profit he will sell at any price. He knows everyone else is in the same position and he does not care if he pays 10, 12 or 15 per cent for it. He will do it if he thinks he has the sales.

I read the following this morning in one of London's daily newspapers:

> Imperial Chemical Industries Ltd., Britain's biggest industrial combine, yesterday announced lower profit and plans to raise a $180 million loan at a rate of interest that will yield more than 8 per cent.

A restriction was put on credit by the U.K. government, but whether a company has to pay 8 or 10 per cent does not matter. An entrepreneur will borrow money to expand his plant. He does not care about the cost he pays because he knows he will be able to pass it on.

Another statement made in the speech was that we are producing all we can. This is a comment that is sometimes made and I will not question it. I think it is the minister's department which should question that concept. But are we really producing all we can? We are not. I have no hesitation in saying that most of our industries can produce another 40 per cent.

Many comments have been made about the high demands of labour. I do not think that is the case. A labourer will work as hard as a man can work because he wants to produce. However, he also wants to see the result of his production. It is all very well to say that labour is not producing. The fact is that labour looks at junior and senior executives and finds that they come to work at 10 a.m., have long lunch hours from noon to 3 p.m., have club memberships and live high off the hog with diner's club memberships and everything else. That is not true. Management works during hours when labour does not see them. The trouble is, however, that there is no leadership. We lack the quality of leadership in our country. Management has to pull up its socks. It has to indicate to the workers that there is some purpose in the work of the company and that it is not all going to waste.

We are hampered, of course, by the method of distribution of shares in today's corporations. The management class is not really concerned about dividends. The whole share structure has been so diversified that management can sustain itself almost indefinitely until there is a strong movement among the shareholders to throw management out. We have to think about reforming these methods. We can produce a lot more.

There is also a presumption that both labour and management will deny themselves greater profits and will do what is good for the country. I have been in business myself and I can tell you that a businessman will admit he has only one interest and that is to make money. This is his immediate concern and he is shortsighted in that way. He knows that if he wants a greater profit he must demand and get a higher price. Labour takes the other point of view and asks for higher wages. Therefore, to presume that management and labour are angels is wrong. They are not angels; they are human beings and they will act in this way.

If we are to put forth policies calling for voluntary restriction we are not going to be very successful. There is also a presumption that savings flow back. The phrase used in the speech was that savings will flow into industrial development. Savings do not flow into industrial development. Savings are those moneys that one scrimps for and does

without in order to gather. You do not gamble this kind of money. This is security money. If you happen to make some easy money—dividends or profits—that is the type of money that goes back into investment but not savings.

• (2:40 p.m.)

How much do we have in savings? It was estimated we had about $16 billion in savings. After the Rothschild and a couple of other robberies, the Dominion Bureau of Statistics upped its estimates and it is said we now have savings amounting to $27 billion. This is not being used for investment. We do not gamble it because the Canadian is not the type to gamble. If you presume that if you enforce more savings you are going to have more money into ventures is to eliminate the risk. To assume that we are going to expand our savings when we introduce insurance measures and social measures, and that they will mean less use for savings in the future, is wrong.

I believe that what we should do to induce money into ventures is to eliminate the risk. This is the Canadian Development Corporation idea, and I feel we have to get along with that. I am rather worried about the reduction in education grants. I am worried because I do not believe it is proper, reasonable or feasible to presume that when a student interrupts his education he is going to pick it up again. There are human factors that enter into a consideration of this problem. A student may get a job or get married when he interrupts his education and the chances of that person picking up his education again are rather remote. I feel that the danger of injury to the nation as a result of this course is greater than the savings that might emerge.

I believe the minister is correct in saying that we are going to improve and increase our grants to the provinces. I hope that these conferences will not hinder the education program or the scholarship program. I feel that the actions of the minister are going to be successful, according to what I have heard this morning about the market. It appears to me that we may level off.

I am not going to say these policies are not going to be successful. I think we will probably put a brake on the inflation. All I am saying is that we are going to go through this situation every four or five years unless we conduct an examination of our whole economy. No matter whether it is this government or any other government, we are going to face this situation over and over again, with a constant need for immediate solutions without the time to delve into these problems in depth. We will be faced, as we have been faced this time, with a declining stockmarket. People borrow money on the stocks they own. The banks will advance an amount equal to 75 per cent or 80 per cent of the value of the stock. When the market drops the people have to come up with more money. When there are lay-offs and there is no place to dispose of assets the people may be forced to sell their stock. At any time there could be a panic. I do not believe it will happen this time; in fact, I know it will not. We have survived. However, this situation will occur again.

The question is, why should we keep putting ourselves into this position all the time? The restrictions the government is going to impose upon itself in connection with capital spending will, I feel, have an influence. I hope that everyone does not start pulling in their horns. I believe that expansion is something we should be promoting. I do not like restriction. I think it is a negative approach.

Let us consider the housing market. I believe the minister did mention it and referred to the high cost of housing. I have been in this business 18 years and I can show the minister figures to prove that in 1951 we were paying $10.30 per square foot for house construction. I can show figures to prove that today, 15 years later, we can build houses for around $9.73 per square foot. You see, we have very little use for carpenters today. A lot of the components are pre-cut. Window frames and door frames are pre-cut; kitchen cabinets are assembled ready to instal as are stairways. The technique has improved. However, the cost of land has gone up from $1,300 to $3,000 per lot.

The demand is there for houses and it is going to increase as long as people have to have a place to live. They want to pay a reasonable price, and if we do not provide accommodation somebody else will. You cannot remove the demand by saying there is no supply. The demand is there. They want a house or an apartment and they want it at a reasonable price. The price of land has gone sky-high, first, because it is a wonderful ploy for speculators. Second, and possibly more important, land is used as a hedge against inflation. If you put money into land you are going to get good money for good money. If you put money into mortgages or bonds you will get cheaper money for your good money.

More and more people are hedging, and I include investment funds, union funds and others. They are investing in land without any intention of building but are holding it as a hedge against inflation. Land has taken the place of gold and diamonds for this purpose; it is better than anything else.

• (2:50 p.m.)

You have the normal pressure of more people moving into the urban centres and you cannot increase the supply of people without increasing the supply of places for them to live. The type of action I should like to see in connection with the problem the minister mentioned would be reform measures in the taxation field to remove the speculative aspect on land. This can be done by reform in municipal, provincial and federal taxation. I should like to see the hedge against inflation removed as a pressure against land. I believe it would be much more reasonable to urge these people to buy government bonds, and this could be done if the government would attach an escalator clause to them so that the return would increase as the cost of living increased. In other words, if a person bought a bond for $100 he would be sure of getting $100 for it in ten years' time. This would remove the pressure from land.

The minister in charge of housing has just left the chamber, but he could do a lot to expand the supply of land by encouraging the supply of services, by using new ideas for sewers and other services. I have told the minister before that by one little change in the National Housing Act he could reduce the cost of land. I believe this could be done by paying the first draw on the mortgage when the builder has picked up the title to the land rather than when he has the roof on the house. This would enable builders to develop small parcels of land by themselves. This would leave the high cost land to speculative developers, the developer who in order to make money has to put up big money. They are the things we should look to, the solution being not to restrict but to expand.

One remark in his speech which struck me was that we would never have as good a standard of living as that in the United States. This exemplifies our attitude, and it is too bad. I ask, why not? We have more resources, more gas, more electrical power. We have a monopoly of uranium in the world. We have the seaway now extending to the centre of our nation. We have hard-working people. We have everything except the necessary spark. What we as a party should be doing is promoting the greatness of Canada rather than admitting or saying that we are always going to be second. Why not try for first place.

In conclusion, I hope that the parliamentary secretary will convey to the minister the content of my remarks in this vein: that I think he has done as good a job as he could do with the advice he has been given and the emergency of the situation. Granted, he could not investigate all of the points I have mentioned and delve into them fully and then come up with a solution, because it might be too late. But I think he did the right thing in this immediate measure, and I should like the parliamentary secretary to tell the minister that now is the time when we should be looking carefully into our fiscal policies so that the next time this situation occurs we will be prepared.

Mr. Langlois (Mégantic): Mr. Chairman, I have just seen the hon. member for Lotbinière and he is perhaps glad that I am going to speak in this debate. I am going to prove to this committee that the remarks just made by the hon. member for York East in respect to publicity and advertising in Canada are somewhat along the line of thinking of the hon. member for Lotbinière when he said that the poverty in this country is due in large measure to the over-advertising that we have. For example, people spend money on things they should not buy but are influenced to do so by television advertising, and the situation has reached the point where people are buying more than they can afford. The hon. member supposed that this accounted for the poverty which exists in this country, and this government has now declared war on poverty.

I would ask them how they explain the situation in India, which is a poorer country than Canada and does not have any advertising. There are numerous countries in the world which have no publicity or advertising and are poorer than we are.

Mr. Otto: May I say that I did not say that was a good thing. I said that it was a reality of life that control over demand does not lie with the individual. I did not say that was good or bad.

Mr. Langlois (Mégantic): I was continuing the line of thinking in light of what the hon. member for Lotbinière had said. I think the television station in Quebec city, CFCM-TV, took care of that in an editorial after the broadcast when they hoped that the free

publicity received by the hon. member for Lotbinière would not result in his constituents being any poorer.

We are now facing a series of declarations from all sides of the house, but what concerns me most is what the minister said yesterday about the need for preventing inflation. What he said amounted to nothing less than the birth of a monster of his own creation.

I should like to bring to the minds of government members the date of May 18 last year when the former minister of finance brought in a measure on which I commented and as a result he called me at that time a "so-called prophet". The only thing I am sorry about is that the former minister of finance is not now sitting across the way, but there are very few Liberals here today.

Let me recall to the government my words at the time. When the amendment to the Bank Act was brought in reducing the reserves of the chartered banks from 8 per cent to 7 per cent, I told the government at the time that it was an election measure and that immediately after the election credit restrictions would follow. In the middle of the summer of 1965 the government did take measures to slow down construction enterprises and plans. The minister admitted in his own statement that in the middle of the summer last year the government slowed down construction programs. He said further that these measures were not sufficient.

At that time the then minister of finance, the present hon. member for Davenport, told me that I was trying to prophesy something and he called me a "so-called prophet". Two of my prophecies have been borne out. We did have an election in the fall and immediately following the election credit restrictions were imposed. These led up to the present situation and the drastic measures now proposed.

The measures announced yesterday by the Minister of Finance are a living paradox. One day the government announces a war on poverty, but from the minister's speech we are wondering how the government will go about waging that war. It is not a war on poverty in view of the issues we have now; it is a war on the poor that we are waging. We are still operating under this D.D.T. system —debt, deficits, taxes.

This party has been blamed in the past. Some Liberals went around during the last election and in 1963 saying "Beware of Social Credit; beware of inflation". Who in the Sam Hill is bringing about inflation now, the members of the Social Credit party or the Liberal government across the way?

Mr. Howard: And Premier Bennett.

Mr. Langlois (Mégantic): I have nothing to do with Premier Bennett, but I very distinctly remember there being a socialist government in Saskatchewan and even the rats would not live under it but moved to Alberta.

Mr. Lewis: Only the rats?

Mr. Langlois (Mégantic): Some provinces have expanded and I have nothing to say against their administrations. But one thing I do know is that provincial governments as well as municipal governments and individuals depend on the monetary policies of the federal government. When these policies are not quite correct and need amendment and shining up, they do not get it. These policies need modernizing. We have today the same situation we faced in 1928 prior to the great world economic crisis.

In 1956-57, when the Conservative government took over, the Liberal government left us on the doorstep of an economic crisis. The Conservatives left us a similar situation in 1962 and in 1966 we meet once more a situation similar to that of 1957. The Tories might say that they coped with the situation. They made a big fuss about the Coyne affair; yet immediately after the election of 1962 credit restrictions were imposed. Coyne was right after all. That was an open admission that Coyne was right.

A fuss was made about this in 1961. People said: Do not apply tight money policies; let us conclude the election first and then you can put them on. Coyne went out and Rasminsky came in. Then we had the 1962 election with credit restrictions in the fall.

• (3:00 p.m.)

Mr. Chairman, when we look at the measure presented yesterday by the Minister of Finance, we see the following:

> Speaking generally, Canadians have been very impatient to get on with very many things both directly and through their governments and now we are paying the price for trying to do too much all at once.

I say that we are not doing enough. It is not that we are doing too much. How can we conceive of such contradictions? How can we compromise, by cutting down credit restrictions? On the one hand it is said that we do not produce enough, and when one turns the page we are told we are producing too much. The small industrialist is blamed, as is the

businessman, because both want to sell goods. That is their job. The job of the manufacturer is to manufacture. The job of the government is to administer, to see to it that the goods, production and services reach the consumers, so that they fill the needs of the consumers.

It is not production that is missing in the economy of this country. The hon. member for York East said that we have lots of wheat in Canada. We have lots of oil, and practically the whole world's deposit of uranium. We have 85 per cent of the world's supply of asbestos. We have natural resources in abundance, even to the extent of pure drinking water, which possibly is one of our greatest natural resources.

We have a smaller population than the United States, yet we have a lower standard of living than that country. The Minister of Finance says that we cannot have the same standard of living, and adds: "The people must tighten their belts".

What kind of reasoning is that, Mr. Chairman? The natural resources are not missing, nor is the will to produce on the part of the Canadian people. It is purchasing power that is lacking. Yet the government imposes credit restrictions and taxes. How does the minister expect to lower the costs of production by imposing additional taxes? When he said that by the middle of last year it was evident that costs and prices were rising rapidly he should have included, in brackets, the 11 per cent tax on building materials as a contributing factor.

In the summer of 1965 the government cut back on its construction program, urging others to do the same. But the minister said that that was not sufficient. He also said as reported at page 8213 of *Hansard*:

> We cannot all get what we want and do what we want, and if everyone tries there is going to be an excessive rise in prices and in costs because right now the country just could not, no matter how hard it tries, produce enough to meet all the demands.

This, Mr. Chairman, is absolutely false.

Some time ago I heard arguments about bringing skilled immigrants into this country. Yet the government cut off 10,000 student loans which would have produced skilled workers in one, two or three years. The government is going against the logic of its own argument, if one can call it logic. If the government wishes to invest in human capital, to develop skilled workers, let it provide the means for the necessary schooling to produce skilled workers. That will not be done by imposing credit restrictions.

This government will probably be known as the dancing government. It will be called the tango government—one step forward, one sideways and two backwards. Ask the Minister of National Health and Welfare what he thinks of that. I have never seen a government which has sidestepped, somersaulted and jumped over issues as this one has. This government has blackmailed the Canadian people into accepting its measures. Does it think that the people are going to swallow this measure that easily? Oh no, no, surely not. The Canadian people are broadminded enough and awake enough to notice that the means of production are here, and that they can buy what is produced.

Will imposing new taxes help matters? We shall probably lose another part of our external trade, because our competitive position in world markets will suffer because of the imposition of new taxes. One may ask the members of the former Conservative government about pulpwood, and about what happened when taxes were imposed. There was trouble. The Liberal government will be faced with the same trouble.

I heard the hon. member for York East, but I do not know where he got his figures when he was speaking of savings. The government thought that $16 billion of savings was hidden in stockings and cellars. The hon. member said that after doing a little research it was suggested that that figure should be increased to $27 billion. How is it possible, then, to reduce this purchasing power? I believe the figures were obtained from the governor of the Bank of Canada to show that the total cash in Canada is approximately $2½ billion, with an additional $18 billion being represented as purchasing power in the form of credit. I hope that these figures are correct, and I hope the hon. member knew what he was talking about.

Mr. Cowan: Do you?

Mr. Langlois (Mégantic): The hon. member always makes interjections from his seat.

If those figures were obtained from a newspaper, they may not be right, because the newspaper may not be correct. If the minister was trying to cover up mistakes, he was certainly not helping the cabinet, because he is tearing it apart. Probably he was not trying even to speak for himself, but instead, was speaking for some back-seat string pullers, whose puppet the Minister of Finance is.

The minister may be pale; he may lose his smile; he may lose his skin—but he will still go along with these people I have referred to. They organize the world as if it were a game of chess.

I know that this inflationary situation is one that faces the whole world. But because it is a world situation, I think we ought to set an example of trying to combat it logically, instead of following others as if we were a herd of sheep following one shepherd. In 1928, before the crash came, the situation was also world wide. It must be remembered, as the minister said, that we are in danger of having a boom-bust affair. Normally when you have a boom in progress, you do not stop it. Usually you kick somebody in the rear end for not moving fast enough. Right now the government is hitting the country on the forehead, trying to stop the boom.

• (3:10 p.m.)

I can take the minister around the country and show him where there is unused production capacity, not because goods cannot be manufactured but because people cannot purchase them. Inflation occurs when the balance between production and over-all purchasing power is uneven. Over-all purchasing power should be sufficient to buy the total production of a country and as productivity increases more purchasing power should be made available to every individual.

This is the job of the minister. He should not kick industry because it is trying to sell its products. That is the job of industry—to sell products. The job of the hon. gentleman is to finance and administer. I know that he has not, so far at least, proposed the devaluation of the dollar. That came about in 1962 under the Conservative government. I am a teacher of physics, or at least I was, and I think I should go back to teaching physics.

Some hon. Members: Hear, hear.

Mr. Langlois (Mégantic): We do not propose the devaluation of our units of measure or length. Countries which have to import timber from Canada do not cut down a 12-foot plank to 11 feet and pay for 11 feet. A cord of wood is always the same size. A mile, whether in England or in Canada, is always 5,280 feet. A yard is always three feet. No one alters that. A pound is always 16 ounces, as anyone who goes into a store knows, and if a shopkeeper fools around with his scales he is sent to jail.

How is it possible to change another unit of measure, the purchasing power of the dollar, which is after all a measure of value? If we attempt to change the ordinary measures of length and weight, we get into trouble. But because we do not control our financial system we are forced to permit a variation in the value of this other Canadian unit of measure, the dollar. Someone is controlling it; somebody is influencing it, and it is not the Minister of Finance.

This means that the Minister of Finance is little more than a puppet. The Minister of National Health and Welfare has been obliged to defer his medicare plan to another year. I sympathize with the hon. gentleman; he did not seem very happy today. But he will get used to it—one step forward, two steps sideways and two steps backward. We should all take care lest this system lead the Canadian people another kind of dance—a war dance.

I have been reading some of the statements made yesterday by the hon. member for Three Rivers. Knowing his background, I would agree that he has a perfect right to say what he said.

Mr. Mongrain: Mr. Chairman—

Mr. Langlois (Mégantic): I have not said anything about the hon. member yet. I merely said I had read his speech.

Mr. Mongrain: On a point of order. My city is called Trois-Rivières, not Three Rivers.

Mr. Langlois (Mégantic): Let me give the hon. member for Trois-Rivières a little grammatical lesson on that. There is no mistake in a proper noun. Look up your grammar on that. But I am quite ready to agree with the hon. member for Trois-Rivières, if it will help him—though whether you like your water in English or French, it is still the same place. What is more important to me is the guy who represents that place. This is what he said:

[*Translation*]

When I heard the hon. member for Villeneuve (Mr. Caouette) and the hon. member for Red Deer (Mr. Thompson) tell us that the government stated, without any evidence, that we had reached our maximum production, I asked myself some questions. I told myself that explanations should have been given, of course.

Right. The hon. member for Trois-Rivières (Mr. Mongrain) gave an explanation. What was it?

I think the minister meant our maximum production with the means at our disposal right now.

He thinks, he believes, he is not sure. The minister is not sure, nor is the hon. member for Trois-Rivières. Who is, in that case?

What is the meaning of "we have reached our maximum production"? I indicated a while ago that this was false, Mr. Chairman, and that if we afforded opportunities for our industries to produce according to their capacity and as they thought fit in this country, our gross national product would have doubled in two years.

[*English*]

I can well understand the hon. member for Trois-Rivières speaking that way. He is a very logical man. Right now, his political colour is white—independent. But if he swerves too far into the Liberal left he comes out a silly, pink colour and I would advise him to stay on his own feet, not try to cover up mistakes of the government. He is a good hearted man, a kind man; I know that. But that will not help the government at all.

Mr. Mongrain: On a question of privilege, might I direct a question to my hon. friend? It may be that I am becoming a heretic but does he not think this is because I have a mad sight in front of me?

Mr. Langlois (Mégantic): I am glad to find that somebody in this house has been influenced, though for my part I think the influence is coming more from the left of the hon. member. He is turning it from white to pink, but at least I can congratulate him because he is the only one who has ever been influenced in this house. I, for my part, do not need anyone to influence me because I am convinced of the soundness of my opinions.

The minister is forced to confront the need for taking measures against inflation because of his stupidity in maintaining an obsession with outmoded financial and fiscal policies. I do not see why he should try to maintain the system which has led us from chaos to crisis, and from crisis back to chaos.

Mr. Sharp: May I ask the hon. member a question? Does he believe it is because of the outmoded socialist system in Britain that they are having their troubles over there?

Mr. Howard: They have a leader with guts over there, anyway.

Mr. Langlois (Mégantic): I am not saying they are likely to find a better solution, but unless Canada or any other country chooses to arrange its fiscal and economic machinery along different lines we shall always be facing the kind of situation which confronts us now.

• (3:20 p.m.)

Will the means and methods that have brought us bankruptcy, chaos and crises, lead us to success and prosperity? I say you have to change your methods of operation, and change your ways and means, but the minister will have to tell some of his back-seat string pullers to leave the scene, cut the strings and let him act as he should—not as a politician, not as a puppet for some high financiers, but as a statesman, looking not to the future of the next election but to the future of the next generation.

Mr. Choquette: You are quoting Duplessis.

Mr. Langlois (Mégantic): Maybe the hon. member for Lotbinière will have something to say himself.

[*Translation*]

Mr. Choquette: That is not one of your finds. Maurice Duplessis said that: Next election, next generation.

[*English*]

Mr. Langlois (Mégantic): That is quite true. Maurice Duplessis may have said it, but he was still premier of the province of Quebec for 16 years and he must have had some good in him.

[*Translation*]

Mr. Choquette: You don't have to be very bright to think along the same line as Duplessis.

[*English*]

Mr. Langlois (Mégantic): To continue, Mr. Chairman, I wish to give the Minister of Finance notice that when we return after October 5 to deal with the Bank Act revisions in committee, we will have a lot to say and many questions to ask concerning this situation. Before any members of the government go out on public platforms again and say, "If you let the other guy in you are going to have inflation," I would remind them of a fellow named Dupuis who hollered and yelled and paid thousands of dollars for television time, and who said, "If you are going to vote Social Credit you are going to have inflation." He has been defeated since and now is back home.

Now we have a Liberal government and there is inflation. But Dupuis had been told to say that, the same as the Minister of Finance

was told to write the speech he made yesterday. Maybe somebody else wrote it for him, but he delivered it and he will have to take the comebacks on it. In conclusion, I hope the minister will not retain this tight money, belt-squeezing attitude toward the Canadian people but will introduce measures in the near future to open up better prospects for them.

Mr. Wahn: Mr. Chairman, rather suddenly everyone in Canada is concerned about inflation and the rising cost of living. It is an important problem but it is not a new one. I recall speaking in this house in 1963 on the evils of inflation, and particularly the injustice to those on fixed incomes, and in 1964 putting a question on the order paper with regard to methods of controlling inflation while maintaining full employment. Undoubtedly, however, the present widespread interest in the problem is due to the fact that during the last year the pace of inflation has increased.

Since 1949 the cost of living in Canada has increased on the average by about 2.7 per cent a year. During the last year it has gone up about 4 per cent. Therefore we should welcome the restraints announced by the Minister of Finance last evening.

It is interesting that among large trading countries Canada has maintained the value of its currency and the purchasing power of its money better than any other country, with the exception of the United States. The July, 1966, monthly economic letter of the First National City Bank contains a table summarizing clearly the depreciation which has taken place in major world currencies in the last 10 years, and I would like to refer to this table to show what our record has been.

In this period of 10 years United States currency has depreciated by 1.7 per cent on the average per year, Canadian currency by 1.8 per cent, United Kingdom currency 3 per cent, French currency 4.6 per cent, the currency of the Federal Republic of West Germany 2.2 per cent, that of the Netherlands 3 per cent, of Norway 3.3 per cent, of Denmark 3.8 per cent and of Sweden 3.6 per cent.

In comparison with other countries our record in Canada is excellent, so it is nonsense to say, as the Leader of the Opposition said earlier today, that inflation is running wild in Canada. It is not only nonsense, it is irresponsible. And to say, as did the hon. member for Northumberland earlier today, that there is to be a final increase of at least 30 per cent in railway wages is also, in my opinion, irresponsible. If such a speculative statement has any effect at all it will fan the fires of inflation. The hon. member knows very well that the final railway settlement will depend upon negotiation, and if that fails, arbitration. To forecast the outcome at this time is not only irresponsible but improper.

It has also been proven time after time that the seaway settlements earlier this year were based on the fact that many of the men were part-time workers and there were special factors involved which form no precedents for the railway, or any other labour dispute.

All of us know how often N.D.P. members urge us to follow the socialist policies of certain of the Scandinavian countries. It should therefore be of great interest to them to read the figures I have given which show that in Scandinavian countries the cost of living has increased much more rapidly than it has in Canada and the United States. We cannot say that our trading position is undermined by inflation, or that the prosperity of the average Canadian is in danger. The cost of living has gone up in Canada. However, wages and salaries and social security benefits have gone up even faster. In point of fact, despite high costs the prosperity of Mr. and Mrs. Canadian is at a record level.

There is in fact no sudden crisis, but restraints are necessary and all hon. members should welcome and support the action announced by the Minister of Finance last evening. For while there is no sudden crisis, the federal government must accept responsibility for maintaining the value and the purchasing power of our money. Subsections 14 and 15 of section 19 of the British North America Act give to the federal government exclusive legislative authority over banking, currency, coinage and the issuance of paper money. Is there anyone in this house who would suggest that while the federal government has exclusive authority to issue money it is without legislative authority to take appropriate action to maintain the value and the purchasing power of the money it issues?

Under our constitution parliament, by properly drafted legislation, clearly has the exclusive legislative jurisdiction to maintain the purchasing power of the Canadian dollar. It is true that such legislation may possibly affect property and civil rights within the provinces. However, such conflicts are not unusual, and it is well established that in the event of any such conflict the federal legislation must prevail.

Can we maintain the value of our currency without throwing our economy into a recession? That is a good question and one that economists have debated at length. It is the reason why the Minister of Finance and the government must avoid radical measures such as those advocated by the hon. member for Qu'Appelle, and must proceed slowly and with care.

The favourable reactions today on the stock markets of the world reflect confidence in the action announced by the minister last night.

Professor Clark some years ago in his authoritative report on old age security said this:

● (3:30 p.m.)

> The maintenance of a stable price level in the coming decades is, in my opinion, as in that of many other economists, compatible with practically full employment . . . I believe the achievement of these two goals, though difficult, is highly desirable and feasible most of the time, but, such is the nature of economics, I cannot prove it in any conclusive way. The attainment of these goals will require co-ordinated government and central bank policies more vigorously directed to these ends and a greater degree of restraint on the part of some strategically placed trade unions and business executives than has been exhibited in Canada and the United States in the past decade. The initial and prime responsibility for achieving these goals must rest primarily with the federal government, but it is not likely to succeed fully without full support from labour and business leaders.

The views of the Economic Council of Canada are to the same effect. The desirable goals are high employment, a good rate of growth and stable currency—and they are all important. In a recent article Dr. John J. Deutsch said this:

> At the end of the war, the governments of many countries, including those in Great Britain, the United States and Canada, accepted responsibility for the maintenance of high levels of employment. In the light of subsequent events, it is noteworthy that this far reaching change in the role of governments was not matched with an equal concern for the maintenance of the value of money. For some years at any rate the pursuit of expansionist policies designed to promote full employment was an overriding and almost single aim. This one-sided emphasis in both monetary and fiscal policy was, of course, the heritage of the great depression and of the long history of business cycles in the 19th and 20th centuries.

Hon. members will recall that not too many years ago we had high rates of unemployment in this country. The former government, headed by the present Leader of the Opposition, time and time again refused to accept responsibility for that unemployment. Members of that government referred repeatedly to high unemployment in the United States and western Europe and said that Canada was helpless in the face of a world-wide recession.

The present government, on the contrary, has taken the position that even with its open-ended economy Canada can achieve full employment and control its economic destiny, and it is our obligation to do just that. The present government has accepted that responsibility and is achieving that great goal. It is the same with inflation. If we are to eliminate inflation and maintain the value of the Canadian dollar we must believe that this is possible even at full employment levels, and we must accept responsibility for doing that. In his book "The Affluent Society" Professor Galbraith said:

> Next only to the virtues of competition, there is nothing on which the conventional wisdom is more completely agreed than on the importance of stable prices. Yet this conviction leads to remarkably little effort and, indeed, to remarkably few suggestions for specific action. Where inflation is concerned, nearly everyone finds it convenient to confine himself to conversation. All branches of the conventional wisdom are equally agreed on the undesirability of any remedies that are effective.

This describes pretty well the speeches of most members of the opposition since last evening—a great deal of talk but so few, if any, helpful suggestions. The problem is an urgent one because in terms of purchasing power the Canadian dollar today is worth about 70 cents as compared with 1949, and 35 or 40 cents as compared with 1939. I emphasize that this is not the result of any sudden inflationary crisis but of a long continued creeping inflation which has been permitted by all governments whatever their political stripe, and particularly the previous government with its large and continued budget deficits.

The consumer price index shows that compared with 1949 we are today paying 43.8 per cent more for our food, 44.3 per cent more for housing, 25 per cent more for clothing, 51.1 per cent more for transportation, 80.7 per cent more for health and personal care, 59.2 per cent more for recreation and reading and, surprisingly enough, only 25.1 per cent more for alcoholic beverages. Incidentally, Mr. Chairman, the exceptionally high percentage increase in the cost of health services emphasizes that the cost of medical care is likely to increase rapidly, whatever method of financing it is adopted. Not so long ago anyone who urged and supported sound money was considered a diehard reactionary. This apparently is no longer true. The clever people, the wealthy people who can hire trained investment advisers to look after their interests can

protect themselves very well against the rising cost of living. The people who are hurt by the rising cost of living are the old, the weak and all those who are least able to look after themselves. Professor Clark in his report on old age security said:

> Inflation is inherently unfair to those economically or politically incapable of defending their interests. This includes some categories of salaried employees and those on pension—both private and government. Recipients of government old age pensions are in a position to exert some political pressure on their own behalf;—

Many of us know from personal experience that this is true.

> —those on private pensions usually have little opportunity and no contractual claim to have their pensions raised to offset inflation since their retirement. Those widows, orphaned children and retired persons who are largely dependent financially on the proceeds of life insurance policies, annuities, interest on government or corporate bonds or other investments of fixed, or nearly fixed, rates of interest, suffer from inflation with no prospect of relief.

Professor Kenneth Boulding has said:

> Inflation is a refined method of taking bread out of the mouths of the aged, the infirm, the widows and the orphans.

It is sometimes asked whether any government will take effective action to end inflation, because governments themselves profit immensely from inflation. Inflation sends up governmental tax revenues and makes the burden of their outstanding debt much lighter. Governments have borrowed millions of dollars, and with inflation can pay back not only the interest but the principal of that borrowed money with cheap or deflated dollars.

If you paid $100 for a government bond in 1949 you have now lost $30 in purchasing power and the government has gained $30. In effect it has imposed a $30 capital levy upon you because you were patriotic enough to buy government bonds. Inflation is in fact a tax upon the general public which bears most heavily on those who are least able to protect themselves. Moreover it is a tax which is authorized by no statute of parliament, without the consent of the people or any of their representatives in parliament, and without even an order in council passed by the government. It is a tax imposed by administrative action or lack of proper action. In fact it is taxation without representation, which is something about which all members of this house should be particularly concerned. For this is the reason we should welcome the action announced by the Minister of Finance last evening. Because inflation is such a convenient tax, it will be given up completely only if the people of Canada, through their representatives in parliament and through all the organs of public opinion, insist that the government accept responsibility not only for containing the 4 per cent inflation of the past year but also for eliminating the creeping inflation that has gone on for so long and under all governments.

This is particularly important for a young, underdeveloped country such as Canada. In Canada we are few in number, inhabiting a great area with vast undeveloped natural resources. Our need for developmental capital is almost unlimited; yet there is a world-wide shortage of capital. Nevertheless, with our stable political system and highly developed and efficient banking system we could attract capital from every country in the world if only we could assure investors that the purchasing power of our money will be maintained, and that our currency will not be depreciated.

Many members of the house are concerned about the very large amount of foreign equity capital in Canada. They would like to see more foreign loan capital instead of equity capital. How can we expect this if we propose to pay back loans in devalued dollars? If we can guarantee lenders that our dollars will not be depreciated we will get the loan capital we need, and in time this will reduce foreign control in our business and industry.

• (3:40 p.m.)

Sound money will also encourage increased savings and investments by Canadians in Canada. The traditional copybook virtues of hard work, thrift and honesty are not obsolete. We need them, and we need them far more than do the older, more fully developed countries. But these virtues have been made to seem old-fashioned and have been discouraged by a continuing and creeping inflation.

I welcomed the statement of the Minister of Finance because I took it as a declaration by the present government that here in Canada we propose to have both full employment and sound money, and that the federal government accepts full responsibility for achieving these objectives. I hope that as policy develops, new methods will be applied in addition to those referred to by the minister. For my part I think we should adopt the technique we have adopted in recent years in launching our successful attack on unemployment. We emphasized that an industry by

industry approach with a view to increasing employment in the secondary manufacturing and service industries was selective. However, it has been successful.

Similarly with inflation, some commodities have gone up in price more than others. Some price increases have a basic effect on the economy and have triggered other price increases. We must concentrate our forces to prevent price increases of strategic materials in scarce supply.

In attacking inflation in Canada we must use the rifle, not the machinegun. We should know our target and have good reasons for firing. We have an adequate arsenal in our monetary, fiscal, credit and rationing powers. I think most of us would agree with the minister when he says that we must not rely entirely on monetary measures, and that we also would agree when he says this is not the time for any general wage or price controls. However, we should be prepared when necessary to use all the weapons in our arsenal against selected targets.

In leafing through the Criminal Code the other day I came across a section that makes coin clipping an indictable offence and provides that any one who impairs, diminishes or lightens a gold or silver coin is guilty of an indictable offence and is liable to imprisonment for 14 years. Over the years governments in all countries of the world, including our own, have consistently permitted their currency to be depreciated. I think it is time this was stopped. I am glad this government has set an example, and I urge it to continue so that soon we will be in a position to guarantee the people of Canada that our currency can be accepted in full confidence, and that its value and purchasing power will be maintained.

Mr. Fairweather: Mr. Chairman, I appreciate having a minute or two to take part in this debate. I cannot help but recollect the series of metaphors used by the hon. member for Megantic when he described the Minister of Finance. Perhaps the minister is now thick-skinned enough that he is able to accept such descriptions. As I understand them, the Minister of Finance is a chess-playing, fancy-skating shepherd who indulges in tangos, and is a puppet. In view of that combination I am sure the minister has a career ahead of him that will be flexible, to say the least.

The hon. member for St. Paul's, who just resumed his seat, discussed the rise in the cost of living and quite rightly laid great stress on the strength of Canadian currency.

[Mr. Wahn.]

He had a poignant word or two to say about the real sufferers from inflation—the sufferers that we who represent them in the parliament of Canada should keep in mind. He was referring to the people who are on fixed incomes.

The hon. member for St. Paul's mentioned that the increase in the cost of living last year was 4 per cent. I am not going to get into a debate on percentages because I think they can be made to fit almost any argument. However, the figures I have seen show an increase in the cost of living for the last 12 months of 5.5 per cent. Perhaps some expert will point out why I am wrong.

Mr. Wahn: I think I can clear that question up. The 5.5 per cent figure represents the number of points the cost of living index has risen, which in turn works out to a 4 per cent increase.

Mr. Fairweather: As usual, a lawyer from Royal needs a lesson in economics from a lawyer from Toronto. I accept that explanation. I agree that the Minister of Finance is right in some aspects of his speech, but I do not want anyone to believe for one minute that I feel his proposal to cut back on scholarships and on government spending for research is one which meets with the approval of the opposition. Neither do I personally approve of the postponement for a year of the medicare plan.

I think the minister is right in wishing to mobilize the total population of Canada to the danger that faces us. It interests me as a member of this house, and one who takes an interest in the system of parliament and its relevancy to contemporary affairs, to note that on many occasions we debate issues after the events. I acknowledge immediately that the hon. member for St. Paul's discussed the problem of inflation in 1963 and asked a question about the matter in 1964. Surely that has been the exception that proves the rule. I am delighted that the hon. member mentioned the subject, but I think it can be said generally that members have ignored the problem of inflation in their participation in debates in parliament.

It is my submission that Canadian people are starving for candour and frankness. I also happen to believe that they are starving for leadership; but that is a subject about which we would obviously disagree. I also believe that we as political people underestimate the ability of Canadians to take their medicine.

The other day I was reading an English publication about problems in the United Kingdom and how the ordinary citizens of that country tried in rather bizarre ways to lend their support to the efforts of the Wilson government to stem the economic crisis. I admit that I was reading an editorial which appeared in *Punch,* which is not noted as a thoughtful journal on political affairs. I was struck by the fact however that a good many people in Britain were doing their best to think up ways and means whereby they could aid the government in its plans. One old lady wanted to knit scarves and balaclava helmets. I think she has forgotten it was 20 years ago that they were necessary.

• (3:50 p.m.)

Another gentleman who had investments in the midland mills in Britain said he was not going to sell his shares in the textiles mills because if he withdrew his money the mills might suffer thereby. This is perhaps trifling but it is an example of a mood which I think we must encourage in this country. We must alert the public to the dangers that confront us.

I had hoped that when the minister made his announcement last night some of the more spectacular plans for government spending might have been phased out—I think that was the minister's phrase. I hope that this great triple tower, this defence structure that is about to go up, will be phased out. I cannot see any feature of Ottawa or any landscape that would be improved by this building. There are other aspects of government expenditure that might also undergo a phasing out process.

I wish to speak for a moment about medicare and to offer a suggestion. I was going to presume to become a bridge between differing opinions in the cabinet, but this role is not really one that I can assume. However, I do have this suggestion: We are told that we are to debate medicare in the next month or two and that parliament is to pass a statute on it. There are a great many people in Canada who live on fixed incomes, people in receipt of old age security and old age assistance who will become the pilots or the first phase of the government's medicare program.

As we all know, recent amendments to the social security act in the United States have brought into the medicare plan people in receipt of social security who are over the age of 65. I think this could also be applied in Canada and might be a very good way of augmenting the scheme of medicare for the whole nation. If we could bring into the plan the older people of 68, 69 and 70 years of age, as well as those living on old age assistance who are over 65, we would be keeping our promises to them. I also think we should not postpone the date of July 1, 1967 on which the medicare plan is to start. I think there are very few centennial projects that would attract me more than that the older population of Canada on the hundredth anniversary of our country would be given the benefits of medicare. As I say, this would be a pilot for the massive plan which the government has announced will take place on July 1, 1968. If this modest plan could alleviate the problems faced by the Minister of National Health and Welfare, then I would offer it to him without any copyright.

The hon. member for Vancouver-Kingsway discussed sacred cows and birth control. I also was interested in the announcement from India that birth control devices were about to be used which would result in fewer sacred cows. I wish this device could be instituted in parliament, because ever since the beginning of this emergency session we have had a good many of them trotting up and down the corridors of this chamber. One of the sacred cows, of course, is that everyone seems to be busy trying to find out whether someone is to the left, to the right, or in the middle. I was rather interested in the railway debate because some of the hon. members on the right voted with the so-called "left" although for different reasons. Nevertheless the sacred cows in that debate were very much in view, and they have been trotting around. One of them is that all the blame should be put on industry. We heard from the hon. member for Mégantic that they all live on diners' credit cards and take three hours off for the luncheon period. Some people from industry have used the well worn phrase that if it were not for the incessant demands of labour there would be no inflation and costs could be kept down.

I will trot out my sacred metaphor and say: A plague on both your houses. At this point I will try to be my best left wing self—I am large enough to be both—and say that anybody who has watched the immense profits reaped by industry in this country in the last three years cannot be very surprised at labour,—although they cannot have had the service of economists who are available to a good many other sectors of our national life,—making incessant and I think quite proper demands for increased wages. On the

other hand the sacred cow of compulsory arbitration, or the concept that we must use the free instruments of collective bargaining to solve all our problems, does not appeal to me in the least. I think—and here I will become my right wing self—there is a large area of public or quasi-public employment where some definitive system of adjudication of perfectly natural demands for increased wages must be augmented, without the necessity of a strike which cripples the whole nation.

I have now covered the whole gamut from left to right and perhaps my comments have not been very fruitful. Nevertheless I wanted to make them. May I be allowed to end my remarks with one other appeal to the minister. My first one was a suggestion to grant medicare to our older people. The second one is a plea to the minister to remember that in some parts of this country the problems brought on by inflation and unemployment are not the same as in others.

I recently read a review by the Atlantic Provinces Economic Council on Agriculture regarding that area. I think that all hon. members, be they from the maritime provinces or any other part of Canada, should read this document and digest the startling facts that are contained in it regarding the drastic reduction in the incomes of the farming population of that area. This is statistical evidence of the pressures under which this part of the community lives.

I hope the minister will be flexible enough in his phasing out program to take into account the fact that there are many places in this country where unemployment is still far too high. I admit that this problem is improving and I give credit where credit is due, but unemployment is still much above the national average, dangerously so, and a fixed program of phasing out is not applicable in the maritime provinces. The minister's own Economic Council can bear this out.

• (4:00 p.m.)

I do want to say one other word about the education program. In response to a question of mine this morning the minister stated that the priorities that have been suggested by the premier of Manitoba were not discussed by the Prime Minister because there were political motives behind them. I did not want to tie up the house during the question period with a battle on semantics. If the premier of Manitoba is not indulging in politics, and I use the word in the best sense, and the minister himself is not indulging in politics,

[Mr. Fairweather.]

then what on earth are we about in this land? It happens that the first public announcement I saw about the need for priorities came from the premier of Manitoba. If this simple fact is politics, and if the government is so sensitive that an idea which comes from the premier of some other province must be political, then I despair for the nation and for the oncoming needs of that nation.

Now that priorities are fashionable the minister is clasping them to his breast. He is issuing them out over the Canadian Broadcasting Corporation in a most persuasive interview, I may say. Priorities, therefore, are the "in" thing and because they are "in" the minister is adopting them. Well, the first comment on priorities that gained public recognition so far as I was concerned came from the premier of Manitoba. I am glad the Minister of Finance for Canada is now on the Roblin bandwagon and recognizes, although there is no evidence of it in his speech, that the major priority in this country must be massive help for technological and post-secondary education.

Mr. Sharp: I should like to ask the hon. gentleman if he is on the Roblin bandwagon?

Mr. Fairweather: On the matter of whether the premier of Manitoba speaks for the nation and the need for priorities, I am on the Roblin bandwagon completely—and I hope the country is, too.

[*Translation*]

Mr. Choquette: Mr. Chairman, I want to pattern my remarks after the attitude taken by the hon. member for Chambly-Rouville (Mr. Pilon), who made a concise and very realistic speech which will have a great influence on the next financial measures the minister will bring before the house.

Also, Mr. Chairman, since we are in a mood for congratulations and admiration, I wish to thank and congratulate the minister for his lucid and masterly statement, which is very interesting to read, and I am sure that the parliamentary secretary to the minister (Mr. Chrétien), with his good judgment, had something to do with the position he took.

Mr. Chairman, I have only a few remarks to make as I have just said, perhaps to rectify a wrong impression that may have been given the house a while ago by an hon. member opposite, when he said that I was opposed to commercial advertising as such.

I must say that I have had an opportunity in the past to speak on the matter and I have been misquoted, for I am of the opinion that commercial advertising is absolutely necessary. However, this afternoon I understood that the hon. member for York East (Mr. Otto), in a flight of oratory, expressed opinions similar to those I have aired in the past, and I would like to take advantage of this opportunity today to rectify that impression.

As I said, Mr. Chairman, commercial advertising is a necessity. However, today's concept of commercial advertising exercises a detrimental influence through the media of the radio, television and the press. One wonders how the demand can be so excessive and how prices can increase so exorbitantly.

I wonder, Mr. Chairman, whether we should not inquire, without making violent accusations, into the part played by commercial advertising in this field, for to those in contact with the people, the masses, it is obvious that they are constantly urged by commercial advertising to buy goods which they cannot afford. Among the main techniques used by commercial advertising, three are obvious and easily detected.

First, they use magic enticements. When they want to sell a product, they say: Do you want to have a great life? You will live in dream-like surroundings. They tempt you with a product supposed to be so wonderful that you escape from reality into an unreal, wonderful and dream-like world.

Another technique of commercial advertising is their trading upon people's vanity. To sell a product, for example a hair preparation, we are shown a young man who is unpopular at parties and whom nobody cares to know. As soon as he uses the hair preparation, all the women chase and love him. These are the kinds of techniques used by commercial advertising, Mr. Chairman.

It is easy to say that people are free, but there will always be naive and credulous people and ways will be found to exploit them and I am convinced that commercial advertising, as strong as it is today, gets the better of the small consumer's freedom of choice.

Mr. Chairman, another method used by commercial advertising is to stress the low cost of the product. One hears all the time: You can get this or that at an unbelievably low price. Here are the current formulas: "Ridicously low prices"; "No down payment"; "36 months to pay". The individual enjoys his purchase for one, two or three months and after that come the lawyer's letter, proceedings, impounding, even the Lacombe Act which forces people who no longer can afford to fulfil their obligations to deposit their salaries at the office of the clerk of the Magistrate Court. That applies to cases in the province of Quebec.

Mr. Chairman, I wanted to point out those three methods which exercise a harmful influence, as I said earlier.

And the Minister of Finance (Mr. Sharp) knows how much the psychological factor is important in political economy; it is precisely those things which should be stressed sometimes to explain the economic events which cannot be explained except by great theories which ordinary people are not able to assimilate.

That is the reason why, Mr. Chairman, I wanted to call the attention of the house to those questions and see if it would not be advisable to study the problem and even to impose restrictions, because commercial advertising is supposed to be a way to promote sales, but today it has become an industry, an end in itself.

In England, a board conducted an investigation on trusts and has just tabled its report. That investigation lasted three years. That board recommended among other things that Unilever Limited and Procter and Gamble Limited reduce by an average of 20 per cent the wholesale price of domestic soap and by 40 per cent the sales costs of those products. The investigation discovered, in fact, that in 1964 those two companies had spent almost 20 per cent of the retail price of domestic soap on sales promotion, particularly in advertising.

People say: prices are going up. Prices are going up because sales promotion is exaggerated. And who pays for the promotion of sales, publicity that is? Here again it is the consumer.

Mr. Chairman, the minister pointed out yesterday in his speech that there is a law against monopolies. I wonder if this law should not be extended so as to include a provision against sales promotion monopolies. Advertising has now come to a point, as I was saying a while ago, where the consumer's freedom to choose is overpowered and I believe that, considered in this light, sales promotion can become a cause of poverty.

I repeat that I am not against commercial advertising in itself, because it is necessary. But in the present context, with its intensity and frequency being increased by radio and

television, it inevitably exercises a prejudicial influence on the consumer and, at that point, the state must investigate and find the necessary remedy to correct the situation.

• (4:10 p.m.)

[*English*]

Mr. Nasserden: Mr. Chairman—

Mr. McIlraith: I wonder whether the hon. member would permit me to ask a question for convenience of members. I wonder whether it would be agreeable that some indication be given as to the point in this afternoon's proceedings at which we should rise and report progress from this committee in order to bring forward the motion to enlarge the terms of reference of the committee dealing with consumer credit. If during the course of the hon. member's remarks I could have some indication from hon. members as to the point at which this would be agreeable, it would be helpful. May I thank the hon. member for permitting me to make this request.

Mr. Nasserden: Mr. Chairman, in rising to take part in this debate I would first of all remind hon. members that this is the first item of the estimates of the Minister of Finance. We were dealing primarily yesterday, and are again today, with remarks made by the Minister of Finance in opening discussion of his estimates for our consideration. It is only a matter of a few months ago when the minister presented to parliament a budget which he said at the time would control the inflationary forces which were at work in this country, a budget which he said would bring about a further appreciation of the progress that was being made economically in our country.

Looking at the statement which he has made on this occasion, and thinking back to the utterances that have come from former finance ministers over the years--and I have read most of them going back to the earliest years of Canadian history—I have never seen a more dismal denial of Canada's future than that which we see contained in this document that has been presented by the minister on this occasion.

The first sentence of the remarks of the minister, as reported at page 8212 of *Hansard,* read in this way:

> Mr. Chairman, the fact that the committee and the government regard the threat of inflation as an important and urgent matter is evidence that Canada will not drift into a period of continually rising prices and costs.
>
> [Mr. Choquette.]

The minister and the government opposite were warned months ago of what was taking place in this country, of those things that were contributing more than anything else to the inflationary trends that were robbing the Canadian consumers and the Canadian taxpayers of the dollar value of their wage packets.

The minister ridiculed those on the opposition benches, and when we rose in our places in the house, as is our right and duty, to warn of the dangers that lie ahead the minister and the government opposite threw at us time after time the charge that we were trying to obstruct the orderly business of parliament.

The minister went before the television camera the other night and told the people of Canada that we were trying to do too much in too big a hurry. Does that sound as though there has been obstruction in the House of Commons, Mr. Chairman? Certainly not. This gives the lie to the propaganda that has been issuing forth from the National Liberal Federation headquarters, from government benches, ministerial offices and the offices of individual members who sit opposite. The opposition members of parliament have warned about the dangers of inflation for months now. The government has continually said that it had things under control, that the policies that they were employing would meet and overcome the problems that might face this nation in this regard.

The minister went on in his third paragraph to say that we have had a long and strong economic expansion in the past five and a half years. What an admission to come from hon. members opposite, Mr. Chairman, in view of the charges that they made not so many years ago about the government of that day, about the Minister of Finance of that day and about the actions that were being taken at the time to overcome the depression and recession that resulted from the 22 years of Liberal administration prior to 1957.

As I view the document that was presented to the house and to the nation by the Minister of Finance on this occasion, I cannot help but think this afternoon of a former minister of finance, the Hon. Donald Fleming, who during the years tackled the problems which had been created by many of those who sit opposite and laid the foundation for the prosperity and expansion which has taken place today; and I would say that to the Acting Prime Minister who is in his seat today.

Mr. Martin (Essex East): Why single him out?

Mr. Nasserden: The Minister of Finance also said that by the middle of last year it was evident that costs and prices in the field of construction were rising too rapidly. Was that not what the opposition parties told the government when they instituted the 11 per cent sales tax? Each one of the ministers opposite knows the effect that that sales tax has had on construction costs. Buildings which would have cost $800,000 are today costing $1,100,000.

Mr. Nicholson: Will the hon. member permit a question?

Mr. Nasserden: After I have finished I would be very glad to. When we told hon. gentlemen opposite of the effect that this tax would have, they laughed. They denied that the implications that we at that time said were involved would have any effect on the cost of our economy, and as a result they have built the highest cost economy in the entire history of our nation.

During the budget speech of the Minister of Finance a few months ago he admitted this fact when he started the progressive reduction of that tax. But this delayed reduction has left disastrous effects on the construction industry of the country and on the productive capacity of the nation. The minister said that the government had kept this policy of restraint since that time, though it had not achieved as much success as he would have liked to see. The Minister of Finance cannot say that he was not warned. When we issued those warnings in the House of Commons we were told we were obstructing.

Canada faces today a crisis in regard to a cost of living which is the highest in the entire history of the country. We have the highest interest rates in the entire history of the country. This is undeniable evidence of the failure of the government to discharge their duty. These are the same gentlemen who, in the years when the right hon. gentleman who is today Leader of the Opposition was prime minister, said of his administraton that it was not a businessman's government. These boys sitting across the way had all the answers. They had the business experience and were going to get this country rolling again. They were going to fight the pitfalls of inflation, the way it eats into the consumer's dollar and into the daily lives of all our people.

• (4:20 p.m.)

A good deal has been said today about high demand, and the fact that it raises prices. It has not been the great demand for goods in Canada that has raised prices, it has been the taxation policy of the government and the financial policies of the government that have raised prices in this country. The fact that when it presented its budget a few months ago the government opposite saw fit to raise income taxes, has had the effect of lowering the take home pay of the individual consumer in this country. The Secretary of State for External Affairs knows that, as well as I do.

The Minister of Finance reached a state of hysteria that we have seldom seen in the House of Commons when he went on to say: "We have reached a position that is unstable". Have you ever heard of a minister of finance in the entire history of Canada saying that we have now reached a position that is unstable? He went on to say that the present trends just cannot continue for long into the future. There are no plans to alleviate the situation; there are just pious hopes. I say that this nation cannot much longer withstand the rigours of the kind of administration that we have had during the last three years.

Listen to these words in the minister's statement:

> We are now producing about all we can in Canada this year. We have excellent market opportunities at home and in other countries. We have again been lucky in getting huge grain crops at a time when grains are in great demand. Our labour force is growing at a rate of a bit over 3 per cent a year and is becoming better educated and trained.

Yet this government, in the face of these optimistic factors is, in the words of the minister, facing a prospect that cannot be described as anything but dismal denial of the future of our nation. That is not all, because the minister went on to say this:

> We must also recognize that the average Canadian, although he is a fortunate citizen of the world and can look forward to a steadily rising standard of living, cannot have the same standard of living as the average United States citizen—

An hon. member,—I believe the hon. member for York East,—wondered why. I say to the House of Commons, to the government and to the Minister of Finance that this statement made by the Minister of Finance was an indication to the trained young Canadian citizens in our land to seek opportunities in other lands, because by this statement more harm to the future of this nation

was done than has been done by any other single statement within the recent history of our country. That statement is an absolute denial of faith in young Canadians and is an absolute denial in the future of our country. That is what we are to get from the language of the minister, who is in many respects the first minister, when he talks about the economic prospects of the nation.

We on this side of the house cannot help wondering at the words of the hon. member for Leeds, who drew on all the wonderful qualities of the minister, and who talked of the preparation that the minister has had to come to his present position. An hon. member in this debate mentioned mistakes. May I say that people learn from their mistakes. Do you know, sir, if one were to apply that to the present government, it would qualify as the best educated government in the history of our country?

I recall vividly when it came to office that everyone talked of the 60 days of decision. This government said that in those 60 days it would do more than the former government had done during its entire period in office. That 60 days of decision has changed to 60 days of dismissal, sending the members of the House of Commons back to their own constituencies while the government trims its lamps, hoping that the problem of inflation will somehow disappear, and that all will be well.

The businessmen of this country must wonder at the antics of the government, when they listen to the statement which was made by the Minister of Finance with respect to things that should be done, only to hear him say that those things are not to be done because of the problems that face this nation—that these things will not be done for another six to eight weeks. Certainly, that is hard to understand.

You know, sir, the minister made this very interesting observation:

> An alert and informed public opinion can play an important role, as well as those directly involved.

The people of this nation know all about inflation. Every time a housewife goes to the store to buy groceries, clothes or any of the commodities necessary for life, she draws a direct comparison between costs today, and the costs of yesterday. Often, within a week, one can see prices increase a few cents here and a few cents there. The people of the nation do not have to be informed. Those who have to be informed of this are hon. gentlemen opposite.

[Mr. Nasserden.]

Not only must they be informed about the problem, but they must make up their minds about what we are to do. As seen from this side of the house, this faceless administration cannot make up its mind on the important problems facing the nation. That is one of the undesirable attributes of the present government.

Referring again to the minister's remarks, he had this to day:

> The expansion of the money supply and bank credit has been held in check and interest rates have risen in response to insistent demands for credit.

In recent months the minister has tried to hold in check the money supply. That was not the case a few months ago when the government was pumping every cent it could into the financial system of this country, until the banks held up their hands in terror at what was happening, and the minister had to reverse the process. The government opposite cannot shelve the responsibility that it faces with regard to interest rates. I say this, because of the bank legislation which should have been before parliament before this time and which is still being held up for consideration. By its attitude the government has shown that it favours a high interest rate policy for this nation, and by virtue of that it has encouraged a higher trend of interest rates. In addition, the government has not done anything to alleviate the situation which prevents money being provided at lower costs.

I could go on dealing with other factors in the minister's statement. There was one statement which was of interest to the province of Saskatchewan, and that has to do with the deferring of the medicare program for another year.

This program will cost the province of Saskatchewan in excess of $14 million. All I have to ask the minister is: What has he got against the province of Saskatchewan?

I want to say something of what the government should have done long ago. This subject has been raised from this side of the house on more than one occasion. It should have brought in a consumer loan legislation program whereby the consumers of this country could purchase the things they need at reasonable rates of interest, as certain consumers can today under the farm improvement loans legislation.

• (4:30 p.m.)

They could have eliminated the 11 per cent sales tax which they imposed. They could

have set up a department of urban affairs to take care of the problem of urban development in this country. I well recall the way in which members opposite went to people living in urban areas during the election campaigns of 1962, 1963 and 1965 saying: the Tories are the farmers' party; we will do something for those of you who live in the cities and towns. But they have utterly failed to meet this problem of urban development in an effective way.

There is another thing they could do. They could get a prime minister who would put a face on the government opposite, one who would give the government a purpose which we, and all Canadians, could see. If that were done, Canadians would have something to work for and the Minister of Finance would not have to say in the House of Commons that we as Canadians will never achieve the standard of living which our friends in the United States enjoy.

We have the resources. We have a keen, resourceful people. Moreover, as a result of the action taken when the Leader of the Opposition was Prime Minister, we set in motion the greatest technical training program in the entire history of this nation, giving people the opportunity to train themselves for jobs which could build a greater Canada. Yet here we find a government which says it intends to cut back on research spending, to cut back on education. Already in the course of this debate we have seen hon. gentlemen opposite change their minds in this regard. The statement by the Minister of Finance was an ill-considered statement put forward without proper thought.

The other night on television the Minister of Finance made another admission which is even more interesting. He said, in effect, that it was the opposition who were responsible for the troubles we have here in Canada. Analyse that statement and you will find that in a democratic society like our own it means that the opposition could have done a better job than the government has done in the last several years in conducting the affairs of this country.

Consider the situation. The consumer price index has never been higher. A committee of the House of Commons and of the Senate is being set up to study the situation so that the government may have an excuse for not taking action. No move has been made to make money available on reasonable terms to those who are paying excessive interest rates. Then there is the statement by the Minister of Finance that we have now reached a position which is unstable.

How true this is in Canada today. Look at the labour situation. Look at the situation with regard to agricultural income. Look at what is happening in our armed forces. Look at the state of dominion-provincial relations. Look at the prospect of rising interest rates, and look at this latest attempt of the government to deal with inflation, this erosion of the value of the savings and earnings of Canadians—a thief stealing from the pockets of Canadians and doing so with the co-operation and, apparently, with the consent of the government opposite.

As I look at the proposals which hon. gentlemen opposite have offered I cannot convince myself that they are likely to have the effect for which the minister is hoping. After all, medicare is not yet in being, so nothing will be saved by delay in that field. The scholarship program is not yet in effect, so nothing will be saved by delay in this regard, either.

It amounts to this. All the government proposes to do as a means of combating inflation is to increase income tax and direct the people to exercise the restraint which the government has refused to exercise. This is the only answer the Liberal party has ever had. Yet they were able to convince the people of Canada that they had other programs, and were able to put out of office a government which took over the administration at a time of unemployment when the economy was stagnant—

Mr. Sharp: And produced a financial crisis.

Mr. Nasserden: —and which was able to create such a favourable climate that in 1961 there began the greatest period of expansion in the entire history of our nation. Every hon. gentleman opposite is proud of the expansion which took place as a result of those policies.

Mr. Sharp: Why are you not still in office?

Mr. Nasserden: Because of the fraudulent claims made by hon. gentlemen opposite, particularly by the hon. gentleman who now holds the portfolio of finance. I remember the statement which the hon. gentleman made on devaluation. He thought the Canadian dollar was not going to be worth anything at all.

I will end simply by asking: What is Canada's dollar worth today, under a Liberal government?

Mr. Nicholson: The hon. gentleman was good enough to say he would answer a question at the end of his remarks. I should like to ask him now whether he seriously suggests that the 11 per cent tax on building materials which is now in effect does not have a salutary effect in tending to reduce unnecessary construction in the country.

Mr. Nasserden: Here is another minister who has a poor memory. The tax is imposed not only on building supplies but on production machinery—it has these two aspects. Is it not this tax, its two parts taken together, which began the spiral of inflation we are experiencing now in Canada? The Minister of Finance admitted as much when he decided to repeal it at the time of the last budget—

Mr. Nicholson: The hon. gentleman is making a speech. I asked him a question, I hope he will answer it.

Mr. Nasserden: I know I cannot give the minister the answer for which he is looking. He knows in his heart that this measure had a more damaging effect on the Canadian economy and on the value of our dollar than any other single factor which has entered the financial picture in recent years.

Mr. Nicholson: The hon. gentleman still has not answered my question.

Mr. Nasserden: If the minister would repeat his question I would be glad to answer it.

Mr. Nicholson: Does he seriously suggest that the 11 per cent tax on building materials does not have a salutary effect in tending to minimize unnecessary construction at this time?

Mr. Nasserden: I had a purpose in asking the minister to repeat his question. We need to go back to the time of the imposition of this sales tax and the uproar which followed in parliament. The former minister of finance imposed the tax by stages—a certain percentage now and a certain percentage later—in order to encourage building in this country. Did that have a salutary effect on inflation?

Mr. Nicholson: Questions are not answered by asking others. I have asked my question three times and if the hon. member cannot answer it I am satisfied.

• (4:40 p.m.)

Mr. Nasserden: Mr. Chairman, the minister cannot get around it that way since there is no doubt in the world that the tax on building supplies has raised the cost of construction in this country by more than 11 per cent because there are added costs over that 11 per cent.

Mr. Saltsman: Mr. Chairman, it is with some reluctance that I interrupt this private debate, but there are a number of comments I wish to make on the baby budget brought forward by the Minister of Finance. During the last two days the minister has taken quite a beating, and on occasion he has had to exit from the chamber to restore himself in order to continue to face the blast.

I hope I can make my remarks with as much equanimity as I can muster despite the anger that must be aroused when one sees the way in which the government proposes to solve the problems of inflation. This budget is a good example of the old adage about generals who are fighting the present war with the weapons and techniques of the last.

I understand that the Minister of Finance is a student of Keynesian economics. Certainly Keynesian economics teach us the use of monetary and fiscal policies and the way we can maintain full employment, and thus are a tremendous improvement over the attitudes and economics that prevailed previously. However, the minister can become too enamoured of this attitude toward our society, and this type of economics does not have the answer to all the problems in our society. Although many changes are taking place, apparently those changes are not within the purview of the minister, nor is he prepared to adopt new attitudes to the new problems that must face Canada.

The problem of the future is that this or any other government that hopes to rule and command the respect of the people of Canada must be dedicated to full employment policies. When such full employment policies are in effect there is a constant pressure on the economy and a great danger of inflation. That danger has to be faced, and I think to some extent we have to accept that part of the inflationary pressure may be a very good thing in moving a society forward along the dynamic path. However, the usual policies of monetary control and fiscal attitudes are not going to be sufficient to contain inflation.

When speaking about his previous budget the minister was full of self-congratulations. He said it had worked. He also felt that his policies would be successful in bringing down

the interest rate. Despite the minister's confidence in his policies, the facts of the situation do not warrant such a euphoric attitude.

I would like to quote from the Ottawa *Journal* of June 22 in which Professor Welshans is reported as saying:

> High interest rates are likely to prevail in the Canadian economy for the next ten years—

There does not seem to be any possibility that there will be a let-up in the pressure on interest rates, and certainly the minister's reliance on monetary policy and a free market to bring down those rates is due to fail. He will have to do something in a far more positive way if he is to be successful in this endeavour.

When the minister introduced his 5 per cent withholding tax on industry as a means of curbing inflation it was hailed as a most imaginative approach, but it was quite obvious to most people on the opposition benches that it could not possibly work. If he was serious about containing inflation, if he really wanted to curb some of the growth, some of the steam in the economy, then that 5 per cent withholding loan should have been a tax because it shows up in a company's books as an asset and a company simply borrows against it.

The *Monetary Times* of June 1966, commenting on the minister's policies said:

> Despite Ottawa's pleas for restraint many industries simply cannot afford to slow down.
>
> Budget restraints and Ottawa pleas notwithstanding, Chemcell (1963) Ltd. is going ahead with the $35 million of capital expansion it earlier scheduled for this year.

A report in the *Globe and Mail* of August 3 said this:

> Businessmen have ignored Mr. Sharp's warning of the danger of inflation and disregarded his special tax measures designed to slow down capital spending.

The policies that the minister instituted, the ones he was so hopeful about, simply have not worked. He should recognize this and should recognize the limitations of monetary policy in the kind of economy that we have now. He should also recognize that the fiscal policy he is introducing, although it may be effective in the over-all approach towards containing some of the inflationary pressures, will cause enormous inequities and great injustices to many people.

The minister has called for restraint on the part of government. As a matter of fact he has done more than that. He has just about abandoned every government project that all of us had been hopeful of seeing implemented. He is calling for restraint, but it is for restraint on the part of the little man, on the part of the man who has always had to pull his belt in whenever sacrifices had to be made.

We hear that we cannot afford low cost housing in Canada, and that there is not enough money for mortgages. Yet commercial construction spending is soaring. It is not that we have a shortage of goods and services. It is that we have a misuse of goods and services, and that we have an abominable allocation of these goods and services, a distorted sense of values as to what is important and what is not important. Apparently the work that the government does on behalf of the people of Canada is not important. We need increased educational opportunities for our people in order to sustain a long-term growth, in order to see that our people get the advantages of a rich and healthy society, yet we are told we have to cut back on educational grants.

• (4:50 p.m.)

The scholarships that were offered are no longer available. We also have to cut back on research despite the statements made time and time again by the government that they recognize the inadequacy of the research program in Canada, that they recognize that Canada simply must do more in this field in order to progress, that Canada must spend more money on research if only to keep her skilled scientific people in this country and offer them incentives. This program has been set aside; we can no longer afford it.

We cannot afford medicare. Of all programs, there is no justification for the government taking this attitude with regard to medicare. Medicare by and large would be a transfer payment. It would not be a new sum of money taken out of the economy; it is a better way of utilizing the money we are already spending on behalf of the people of Canada. This program has to be abandoned; it can no longer be proceeded with.

Mortgage assistance to our people is a luxury we can no longer afford. We have a mobility program that is trying to increase productivity in this country as a whole by moving people from depressed areas, from areas where employment opportunities do not exist into areas where workers are needed. What do we do? We make sure that we sabotage this program by not seeing that houses are available to the migrants as they

move from one part of Canada to another. This is a fine way of conducting a mobility program; you don't let it get off the ground. Then we complain that there is a disparity between what we are capable of producing and what we are actually producing.

Housing is practically out the window now. In connection with the situation in my own riding I should like to read from the *Evening Reporter* of July 2. The article is headed "Construction of Houses Takes 50 Per Cent Drop" and it say:

> Only half the number of houses have been built in Galt during the first five months of this year compared to a year ago at the same period.

Then from an adjacent municipality the situation is described by the Kitchener-Waterloo *Record* of May 30 in this way:

> 50% of Families Can't Buy Home.
>
> At least 50 per cent of the family heads in Kitchener are earning less than $5,000 a year and cannot afford the cheapest new single-family home on the market—
>
> There is a definite need for housing for all families earning less than $5,000 a year.
>
> There is an apparent housing need for those families in the $5,000 to $6,000 category.
>
> The need in the lower income groups is not only for small families but large families as well.

We are not even talking about the poverty-stricken in Canada but the industrial worker who would be considered to be earning a reasonable wage. Yet even the industrial worker finds it almost impossible to buy a home for himself and family. The minister in his statement pointed out that we cannot have everything, and that is quite right. No country, no matter how rich it is, and no people can have everything they want at the same time. But the statement of the minister would ring much truer, would evoke a great deal more understanding and sympathy if we did not read in the newspapers articles pointing out that, while we are talking about what we cannot afford, commercial construction spending is soaring.

It is not that we cannot afford certain things but that the government has decided we are not going to afford them. I would submit to the minister that these things are far more important in terms of priority than the spending going on in other areas. Apparently there is no shortage of funds in other fields. There is no halting of the building of banks and bank offices, despite the fact that Canada probably has more banks in relation to its population than any country in the world. I do not see any curtailment of the building of service stations. Again, we have more service stations than we need. The report of a royal commission in British Columbia pointed out recently that there should be a moratorium on the building of service stations because they are already overbuilt; but there does not seem to be any shortage of funds for these projects. There does not seem to be any shortage of funds to build tall, air-conditioned office blocks as head offices for companies. I know that air conditioning is very nice, but there is no shortage of office space that would justify this new construction. This is a luxury.

If you are to ask for belt-tightening, should not belts other than those the minister indicated be tightened? If we are to have an increase in the old age pension and a medicare program, obviously these things will cost money because you cannot get things for nothing. Such programs will cost money and taxes will have to be raised in order to provide adequate funds for them. The hard-headed man may very well ask: Where does this money come from? The answer of course is that it comes from the people of Canada; it has to come from them. But it is a question of whose pocket it comes from and for whose benefit the money is raised. I would suggest to the minister that all kinds of taxation possibilities are open to him at this time, especially when he talks about belt-tightening. I understand that exploration in the oil industry is going on apace, despite the fact that our known reserves are adequate for at least 21 years even if we do not take into consideration the oil sands.

I would suggest that the minister look at his policies regarding the depletion allowances to see whether it is fair to give these allowances to companies that really do not need help, when at the same time we are asking the older people of this country to tighten their belts and are telling them that we cannot afford an increase in the old age pension because of inflationary pressures. If we want to afford these things, we can. It does not make any difference in the total distribution picture who gets the money, from an inflationary point of view. The important thing for the government to decide is the allocation of the rewards and resources of this society. The government has made that decision, but I would suggest it has been a very bad decision and is unfair to the older people, the poorer people and those who need housing in this country.

The great challenge facing Canada is how we can take advantage of the dynamic situa-

tion that exists, and keep it dynamic instead of slowing it down. The great challenge that faces this country is how we can improve our productivity, how we can manufacture and provide more goods and services and see that they are distributed in a fair and equitable manner. We are not going to do this by relying on the market mechanism and saying that the market will make the decision.

• (5:00 p.m.)

The minister is saying that if people are willing to pay more they will do so, and if they are willing to bid up prices they are entitled to the commodities at an increased price. We are not going to contain this trend by having the government cut back public expenditures. Surely this cannot be accomplished by a postponement of school and hospital construction, or by the postponement of the institution of a medicare program. The government should not take a first step in this way, or by saying to the older people of this country that we cannot afford to give them an increase in old age pensions.

Mr. Sharp: Mr. Chairman, may I ask the hon. gentleman to quote his authority for all these extraordinary statements, none of which appear in my statement. All I proposed of this nature was the postponement of medicare for one year. I said that we should pace our progress; I did not say that we should cut things back.

Mr. Saltsman: I appreciate the minister's interjection. Perhaps I may be allowed to ask him a question. Supposing next year he finds himself in the same position—

The Chairman: Order, please. I apologize for interrupting the hon. member, but it being five o'clock shall I rise, report progress and request leave to sit later this day or at the next sitting of the house?

Mr. McIlraith: Mr. Chairman, before you rise and report progress I wonder whether we could have some indication of the wish of this committee. Does the committee wish merely not to see the clock at this stage in order to permit the hon. member to continue his remarks, or does it feel that we should rise and report progress pursuant to the rules?

Mr. Howard: Mr. Chairman, even though I was not the one speaking at five o'clock I should like to make a comment in respect of a change in our rules as to the sitting. I think it would be preferable if we discussed such a change after we have reported progress. If we find at that time it is desirable to make a change, and I for one believe it is, an order of the house can be made to dispense with or defer private members hour.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I should like to ask hon. members whether they would be agreeable to postponing private members hour, with the understanding that the bills retain their position on the order paper.

Mr. Deputy Speaker: Is it the wish of the house to postpone private members hour?

Some hon. Members: Agreed.

Mr. McIlraith: Mr. Speaker, so there will be no confusion at six o'clock perhaps I should ask for concurrence in the suggestion that we continue to sit after six o'clock in order to complete the business before us and the motion to which I referred earlier today, when I spoke about the business of the house for today's sitting. If that is agreeable I would ask that an order of the house be made that we continue to sit after six o'clock.

Mr. Lewis: Mr. Speaker, has the minister any time limit in mind?

Mr. McIlraith: The agreement was that we would discuss inflation for one day on the estimates of the Minister of Finance (Mr. Sharp). We have now gone considerably beyond that time. The government has no desire to cut off members who wish to speak. At the conclusion of this debate it is our desire that a motion to amend the reference to the committee on consumer credit be broadened to permit that committee to inquire into the increase in the cost of living. Having completed that, it is proposed that the motion to adjourn the house be put exactly in accordance with the terms I indicated when speaking on motions at the beginning of today's proceedings.

Mr. Lewis: Mr. Speaker, would the minister consider tabling the motion to sit beyond six o'clock until we reach six o'clock, and reassess the situation at that time? If we require another half hour at six o'clock to complete the debate, that is one thing, but if it is obvious that more time is required that is another thing.

We must also realize that if the resolution standing in the name of the Minister of

Finance leads to any kind of debate we might be required to put in a good deal more time; so perhaps we should consider the situation again at six o'clock. I am not suggesting how we in this group or anyone else may look at the situation, but it seems to me we ought not try to make a decision at this time without knowing what we are headed for in an open-ended situation.

Mr. McIlraith: My reason for wishing to raise the matter now is simply this. During this resumed session, which was called to deal with the railway situation and two specific bills a request was made by the Leader of the Official Opposition (Mr. Diefenbaker) that we spend a day debating the subject of inflation. That request has been acceded to by the government. A subsequent decision was made to carry on that discussion on the estimates of the Minister of Finance because it was felt that would provide the most suitable opportunity for that kind of a discussion.

In the minister's opening remarks there was a reference made to one matter that might have some bearing on the subject of inflation. I refer to the suggestion about the committee of the two houses being empowered to inquire into one aspect of this matter. It seems to me that we have kept our commitment quite conscientiously in this regard. It does not seem to me that there could be anything for debate in a motion to extend the terms of reference of a committee, which could not be debated during our consideration of the estimates. It is my hope that an order can be made now so that at six o'clock we will not be caught up in some kind of a procedural difficulty. I am not suggesting that an hon. member speaking at six o'clock should be cut off or curtailed. We wish to give every member an opportunity to comment at this time.

Mr. Churchill: Mr. Speaker, I support the suggestion of the hon. member for York South, that the motion to continue sitting after six o'clock be considered at a later time.

Mr. Deputy Speaker: Does the house agree that a motion to continue beyond six o'clock be considered later this day?

Mr. Howard: Mr. Speaker, I did not know that the motion had been put. I thought the whole procedure was to be deferred and reconsidered at six o'clock.

Mr. McIlraith: Mr. Speaker, so there will be no controversy about this at six o'clock I should like to put the motion now and ask that it be stood over for reconsideration later. I think that would meet the hon. member's request.

Mr. Deputy Speaker: Does the house agree that the motion be put now by the Chair and stood over for consideration later this day?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is now proposed that the motion of the hon. Minister of Public Works that the house sit after six o'clock if necessary, and that an order of the house be made in relation thereto, be now put.

Mr. McIlraith: No, Mr. Speaker. It is my understanding that the motion be stood, and discussed later today.

Mr. Deputy Speaker: Shall the motion stand for discussion later?

Mr. Howard: No, Mr. Speaker. Surely it is not being stood for discussion, and that is why I asked that the motion be not put forward by the minister. Let us make a determination at six o'clock as to whether or not it is then the desire of the house to sit beyond that time. If it is now set down for discussion the implication is that we are waiving the right of hon. members to object to the motion.

Mr. McIlraith: Mr. Speaker, it was my intention to have the motion stand so that hon. members who wish to object to it would have the right to do so at six o'clock, and not be requested to assert that right now. That is what I was seeking to do.

• (5:10 p.m.)

Mr. Langlois (Mégantic): In that case, Mr. Speaker, you cannot put the question and ask us to accept the motion now. What is the use of discussing the motion at six o'clock if we accept it now? I do not see how the Minister of Public Works can co-ordinate these two requests. He can give us his notice of intention now. At the opening of the session today he told us he intended to put this motion before the house, but I do not think, Mr. Speaker, you can place the motion before us now. I am not ready to accept the motion as it is put until we get closer to 6 o'clock for the simple reason that other members of my party may wish to speak on the matter before us. My party has no representative on the special committee which was established to study these estimates, and therefore we are trying to keep a close watch to ensure that

those of us who wish to speak on this subject are given the opportunity to do so now. That is why we do not want to adopt something now which might not be acceptable.

Mr. Deputy Speaker: Is it agreed that the motion stand?

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF FINANCE

Administration—

1. Departmental administration including administration of the Guaranteed Loans Acts and the Inspector General of Banks' Office, and payments to provinces and grants as detailed in the estimates, $4,332,900.

Mr. Saltsman: Mr. Chairman, may I ask the minister a question? In which way has he done the things that I have suggested? Surely the Minister of Finance is not so naïve as to think that he can call for the curtailment of public expenditures and can indicate that he will approach the provincial governments urging them to use restraint, while at the same time he does not seem to realize what restraint means to provincial governments. After all what sort of facilities do the provincial governments construct? They are the very same facilities about which we are talking.

I would suggest that if the minister is stating that the federal provincial and municipal governments must apply this kind of restraint he is in effect saying to them that according to him the schools, hospitals and libraries which they are building have a very low priority.

When the minister said that he is only deferring medicare and not abandoning it, I wonder whether next year the situation will have changed. I do not believe that it will change in view of the policies which the minister is now introducing. Will the minster not come back to the house next year and say: "I had sincerely hoped that we could have introduced medicare at this time, but just as last year, the year before, and in the last 47 years it is not possible and therefore I hope we will be able to do it the following year." May I suggest to the minister that he could introduce medicare this year if he were willing to call on that small section of our population who are really causing the inflation and say to them: Tighten your belts, and stop this needless and useless construction. However, I do not think the minister is prepared to say this. He is telling us that the sacrifices should be made in the public sector.

I was very interested in the remarks made by the hon. member for Lotbinière who spoke about advertising. I hope the minister listened to this backbencher. Perhaps I should not call him a backbencher because he acts like a frontbencher most of the time. I hope the minister was listening to him because he made some good points. He spoke of the fantastic sums of money which were being spent in this country on advertising, and which are being completely ignored. The minister speaks of restraint. What about restraint being exercised in terms of permissible deductions for advertising? Would this not bring in a nice revenue to the government? If advertising is as potent as people claim it to be, then advertising increases the demand for goods and services. Restraint in this field might be an excellent way of slowing down an overactive economy and at the same time creating additional tax revenues. This has not been suggested by anyone on the government side.

I think this budget will make every Canadian sad. The people of our country will say to themselves: The government has decided that all those things that it promised us and that it said were good will not be possible now because of inflation. They will also say: My government has also decided that the service stations, the new banks and the new shopping centres are far more important; they are more important, when I need medicare or an increase in my old age pension.

I really do not see how the minister has arrived at this set of values. The government may justify it by saying that we cannot have everything all at once and therefore we have to defer these plans until a future date.

May I suggest in closing that the government would be on far sounder grounds if it said to some of the people who are causing inflation in the private sector: You cannot have everything you want exactly when you want it, simply because you can go into the market and pay whatever the market demands for these services regardless of the needs and of the welfare of the Canadian people.

This, Mr. Chairman, is what I suggest is the effect of the budget. It is too much to hope that the minister will listen to the opposition. But I hope he will listen to some of the members of his own party who I am

sure feel very much the same way and who are very disturbed by the budget. They will have to go back to their constituencies and explain why the promises made to them during the compaign cannot be fulfilled at a time when their party is in power.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I would not like to take too much time and my remarks will be very brief.

I want to talk about the policy of the happy medium, the inflationary system and the means to remedy it without upsetting everything, breaking everything, taxing everyone, in short without increasing taxes of all kinds, so as to enable the government to administer and the people to stop working.

The people must continue to work, to get ahead and to progress. The economy must not be slowed down in any way. There are means to take in that respect and I think that the government does not always see them, does not know the main ones to take. I wish to explain a method to the government, and particularly to the minister, if he would like to try it. Changes will have to be made within his department and that would be for the greater good of the country.

In Canada therefore, in 1966, on this 9th day of September, when the fear of the fight against inflation makes us forget the fight against poverty—we know that a war against poverty has already been declared and we have forgotten it already, because it is said that everyone has too much money, that the citizens are asking for too much, that there is too much inflation, that the citizens are asking for too much in salary increases, that there is a deficit throughout the country and in everyone's budget. I want to remind everyone that there is no need to get panicky, that God is always with us in all His power and wisdom and that He is at our disposal all the time.

Mr. Chairman, not one of us is afraid that the earth will stop producing tomorrow morning, that we will run short of goods, not even the minister. But we all are terribly afraid of running short of money. The minister is taking steps to restrict credit under the pretext of waging war against inflation. He does it by increasing poverty, by making the poor poorer and the rich richer.

It is the responsibility of the present government to act and restore the national economic balance between production which will reach $56 billion in 1966, consumption which will reach $38 billion and capitalization which will reach $18 billion.

• (5:20 p.m.)

Before capitalizing over $18 billion, we should guarantee the right to live to 12,600,000 Canadian citizens who have no personal income through their work and their capital and who are dependent on 7,400,000 working citizens and capitalists who divide among themselves production and profits.

Mr. Chairman, in the field of production, there are two kinds of citizens: the employers and the employees totalling 7,400,000.

In the field of consumption, there are the same employers, the same employees and, in addition, 12 million dependent citizens who are consumers and who do not have the personal income to buy the goods and services they need to live.

Thus, we have two types of citizens: the producers and the dependents. If the 7,400,000 producer citizens have a purchasing power by their work and their income, the other 12,000,000 dependents, having no personal income, also have the right to live.

This is a natural and divine right, legally acknowledged in Canadian legislation, namely under Chapter 44 of the Revised Statutes of Canada, and more particularly in the Bill of Rights. However, this essential right has never been acknowledged in terms of dollars; therefore, this right is completely ignored, scrupulously measured, violated even.

For instance, $6 per month, that is 20 cents a day, for a child up to ten years old in his home, that is abnormal, antifamily, antisocial and antihuman, in this plentiful twentieth century.

These same governments pay $65 for a young child in a foster home, and up to $120 in an orphanage.

Due to these conditions, the family budget is completely out of balance, far from the financial and physical realities of the country; taxes imposed by our old-fashioned governments take away the livelihood of a great many of our families and no logical means can be found to stabilize the family budget. Instead of restoring the situation, it is made more confusing and alarming.

Mr. Chairman, what was already in a bad shape, is now in worse shape. There is only one workable national economic policy for Canada, if the political and financial leaders wish to see harmony between production,

distribution and consumption, while maintaining the necessary reserves for constant and balanced capitalization.

The numerous strikes at present are proof of the population's dissatisfaction over the lack of national agreement between employers, employees and dependents. All these wage increases for labour, increases in the rates of interest for credit and capital, are responsible for upsetting political and economic balance to a further degree.

However, the greatest cause of national instability and population dissatisfaction remains unheeded.

Management always demands more than labour. Workers receive personal remuneration regardless of the dependents in the various families, the number and age of dependents of different workers: wives and children. It is useless to try to prove that the difference in tax takes care of the situation and balances the two, or that the ridiculously small family allowances re-establish the balance. The most precise calculations of these two adjustments do not even show $10 a month per dependent, but barely 30 cents per day.

All those who are politically influential are favoured by a salary which makes the government family allowances of no consequence to them. Thus the great mass of the people, the five or six million wage-earners, farmers or poor people, cannot fight for their rights unless they form unions. But there again, they are not considered as heads of families. The problem of the father of a family is not discussed in comparison with that of the bachelor.

Mr. Chairman, intentionally or not, production is meant for the consumer first, and then for capitalization.

In speaking of inflation, few know exactly what it is. Inflation throughout the country would be a bad sign. Normal prosperity throughout the country would be proof of good government.

Now, some people say, even members, that inflation was getting to be the normal thing, that there is inflation in the United States and in all European countries and that it is normal for a country to live with such things and to accept an inflationary system. I think it is abnormal, antisocial and antihuman. We must not, and it is nonsensical, accept such a state of affairs in Canada. If other countries deal with this in a certain way, we do not have to follow suit. If someone goes and jumps in the lake we do not have to do likewise. We have other means at our disposal to start the Canadian economy rolling again.

After the war, in 1945, everybody seemed prosperous and nobody talked about inflation. Canadian production was estimated at $12 billion; $10.8 billion were either spent or consumed and about 10 per cent of our production, or $1.2 billion, was capitalized.

In 1966, Canada will produce for $56 billion; $38 million will be consumed and $15 billion capitalized, $15 billion by large companies and $3 billion by private citizens. For directors and shareholders of companies especially, this means a capitalization of 32 per cent of our production, whereas consumption takes up only $38 billion or 68 per cent.

• (5:30 p.m.)

This goes to prove that there is inflation, as far as capital is concerned, and deflation with regard to consumption, purchasing power and dependent citizens especially, since the 7,400,000 citizens who participate in production have their salaries debated or fixed by the unions.

That part of the population which is experiencing deflation counterbalances for the part which has known inflation continuously since 1945 and, throughout the country, the ills of inflation have passed rather undetected, even though the increasing destitution of most Canadians, especially of the 12 million citizens without an adequate income and their dependents, is not realized.

Mr. Chairman, the inflation of capital is an imbalance. Deflation with regard to inadequate consumption paralyses consumption and discourages any initiative. This is the essential point about the situation of our national economy which is being threatened not so much by partial, occasional and localized strikes, but by this national economic imbalance between incomes, expenses and profits, between individuals, families and companies, between taxes and reserves, between production, consumption and capitalization, on the national level.

In every segment of our economy, strikes are only occasional symptoms of a chronic disease that has been developing over the last 20 years. This is how matters stand. This is the analysis of the situation, the synthesis of our research. Now is the time to make the precise diagnosis which will enable us to find a national, economic and normal balance within the regular framework of monetary, economic and political procedures, adjusted

according to Canadian, capitalistic and orthodox facts and realities.

Mr. Chairman, every time the workers' wages are increased, every time interest rates and dividends are increased, each time the cost of living is increased for 12 million dependents and those who support them or are responsible for them, a total of 16 million people who have to pay more for all goods and services, without corresponding incomes.

The economic system is always off balance; it should be balanced through a forward-looking economic policy, taking as an essential basis not labour and capital, but human beings and their essential requirements.

Mr. Chairman, we know the increase in the cost of living and in transportation results from wage increases. There are two methods to ensure that the price figures and the money figures balance: either reduce the prices or increase the contents of the pocketbook.

Social Credit would do both, without hurting anyone while helping everybody.

Under the present system, it is impossible to reduce prices without hurting the producers and to line the pocketbooks without increasing prices.

We have often heard workers asking for wage increases. Why? Because their wages, a money figure, are out of proportion with the price figure on the products. They have grounds for complaints because they have needs which are not met while products are piling up. But if the workers obtain wage increases, such increases are included in the prices. The price figures rise and the spread remains between the price figure and the money figure needed to purchase the products.

The solution would be, Mr. Chairman, to increase the purchasing money without increasing the prices. For that, the extra money should come from a source other than industry. The financial system advocated in our doctrine would do just that. That is what the Créditistes call a national dividend.

On the other hand, the doctrine we advocate also has a monetary mechanism to reduce prices, but without affecting producers, because it would return to sellers the discount which the purchasers would not have to pay.

The two combined together, price reduction and dividend, would be calculated so as to balance the money figure with the price figure.

[Mr. Latulippe.]

Those who persist in saying that one must be employed to be entitled to products on the market are forced to try to employ everyone, while progress reduces employment. As they cannot stop progress, they try to create new needs, so that there might be new jobs. Thus they lead to materialism, or else they apply themselves to war work, to war itself, which is the most efficient means of destroying production and making people work.

The Créditistes want to place progress at man's service, to free man more and more from material concern, enabling him to engage in other human activities, in addition tc the simple productive function.

A dividend for everyone, in addition to being a participation by each and every one to the income of a productive community capital, is also the most direct formula to achieve the right of every human person to share in material wealth, a basic right that man has by his very nature, as was so well emphasized by Pope Pius XII.

Mr. Chairman, I would have many things to add, but I do not want to prolong this debate. But when the Minister of Finance says in the face of the population that the productive function in Canada has nearly reached its limit, I say to him that he did not study his economy, that he is not aware of a productive economy in Canada, in short that he is not aware of the manufacturing function in Canada.

Within two years we can double our national production. By putting everyone to work, all those who do not work now—and we have nearly 50 per cent of the population not working; we still have unemployment pockets, we have citizens of 40, 45, 50 and 60 years of age who could work, but cannot find any work, because there are no jobs for them—in short, if there was a desire to increase production in Canada, a simple solution would be to create jobs, to finance industry, to finance production and also consumption. By so doing, everything would go smoothly. Under the present system, only the production is financed, but we fail to finance consumption. In these times it is consumption that has to be financed first, if production is to reach its objective.

A tight money policy is not the ideal thing in Canada. The ideal procedure for Canadians would be to have credit at their disposal so that they can forge ahead. But, at the present time, our credit is a debt credit. Every dollar in Canada is a debt dollar. And as more money is borrowed, more debts are piled up.

That is why a tight money policy is envisaged as well as restrictions in every field, even in all spheres of the national economy. It is unfair and nonsensical to talk about inflation in an affluent country where so many needs are to be satisfied. It is nonsensical to accept such a system in the midst of plenty.

An hon. Member: Some people are still starving.

Mr. Latulippe: Mr. Chairman, production is good in Canada and it could be better still; yet, in spite of this production, numerous needs are to be satisfied. As I said a moment ago, 12 million citizens have no other income except their low wages; some men, women or children are unemployed and cannot earn any money. There is inflation in Canada at the present time, but there is also deflation, and this is much worse.

A bomb exploded recently in parliament and if this economic problem is not dealt with there will be other bombs exploding, God forbid; I would not want that to happen, but the way this country is run and the way the future of this country is planned will lead to such incidents. We are on the brink of a revolution. The country is prosperous thanks to science and technical know how. The Canadian people know it and want to share in this scientific progress, and we have no right to stop them.

• (5:40 p.m.)

[*English*]

Mr. McIlraith: Mr. Chairman, I move that the committee rise, report progress, and ask leave to sit again.

The Chairman: Is it the pleasure of the committee to adopt the said motion?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I wonder, since I have had an intimation that hon. members want to make a few remarks on the motion to enlarge the terms of reference of the committee, if we could now put the motion mentioned earlier this afternoon, and ask that the house continue to sit after six o'clock this day.

Mr. Churchill: What about a time limit?

Mr. McIlraith: I hope we would rise immediately we have both the motion enlarging the terms of reference and the motion to adjourn the house carried. I hope that that would be very shortly after six o'clock.

Mr. Howard: Mr. Speaker, I wonder if you would permit me a bit of leeway to talk upon the suggestion of the Minister of Public Works, that we sit beyond six o'clock.

If it were simply a question of enlarging the terms of reference to the particular committee in question, to deal with the cost of living, I do not think there would be any objection toward that, because perhaps it is a course that should be followed. But I cannot see the point of sitting beyond six o'clock. The minister wants us to adjourn to October 5, thereby indicating that the government is refusing to convene parliament next week to deal with vitally important questions which we have just been discussing, plus the Bank Act, medicare, and various other items on the government order paper. I cannot see any reason in sitting beyond six o'clock, when we are ready to come back next week. If the government is afraid to come back, that is the government's responsibility.

Mr. Speaker: Is it the intention of the minister to put the motion, that the house continue to sit after six o'clock.

Mr. McIlraith: Yes, Mr. Speaker. I move that the house do continue sitting after six o'clock.

Mr. Howard: I for one disagree, Mr. Speaker.

Mr. Speaker: There being only one member objecting, the motion is deemed to be carried.

Motion agreed to.

CONSUMER CREDIT

ENLARGEMENT OF TERMS OF REFERENCE TO JOINT COMMITTEE

Hon. Mitchell Sharp (Minister of Finance) moved:

That the Joint Committee of the Senate and House of Commons appointed by this House on March 15, 1966, to enquire into and report upon the problems of consumer credit, be instructed also to inquire into and report upon the trends in the cost of living in Canada and factors which may have contributed to changes in the cost of living in Canada in recent months;

And that a Message be sent to the Senate to acquaint Their Honours thereof and to request the concurrence of that House thereto.

He said: Mr. Speaker, I should like to amend the motion. Perhaps one of my colleagues might move the amendment. I would move that the words on the second line "by this house on March 15, 1966," be deleted, or struck out, and that the following be added to the motion, as the second paragraph: "That the committee have leave to sit notwithstanding any adjournment of this house;".

Mr. Speaker: Is there unanimous agreement for the minister to amend the motion?

Some hon. Members: Agreed.

Mr. McIlraith: I so move.

Amendment agreed to.

Mr. Davis Lewis (York South): Mr. Speaker, I do not think this motion should be adopted without something being said about it. First, it is obvious that we cannot oppose the motion, since it cannot do any harm, and may be of some value in giving the members of the committee an opportunity to expose the true facts about the causes for increasing the cost of living.

But I suggest that the minister's motion is a mere ruse to shelve the problem which faces him, instead of solving it. It seems to me that it cannot be anything else than a political move to seem to be doing something, when in fact referring the subject matter to a parliamentary committee is doing nothing to deal with the problem of the cost of living.

An hon. Member: It is shelving it.

Mr. Lewis: I remind the house, Mr. Speaker, that the Minister of Finance made a great to do about the inflationary pressures in our economy in his budget speech last spring. And if there was any value in referring the matter to a parliamentary committee, he should have done it then, so that by now we would have a report from the committee and some facts.

• (5:50 p.m.)

Moreover, Mr. Speaker, is not the Minister of Finance playing with this house and with this country. He came in yesterday and spoke as if he knew all the facts, as if he knew precisely what the problems were, as if he had the obvious solutions to those problems. He sets out policies which will have the effect of cutting important social services and cutting back social capital and doing things which in the opinion of this group, as has been stated eloquently and well by my colleagues, amount to a disservice to the country.

The minister then says to parliament: I want this matter sent to a committee so that I can find out the facts and learn what the trends in the cost of living are, and what factors may have contributed to changes in it in recent months. What was he talking about yesterday if he did not know what those trends are and if he did not know what the factors were? What was the basis of his policies? Perhaps they were based on ignorance of both the trends and the factors involved. Perhaps they were merely traditional policies thrown out without reason and without ground.

I suggest—and I use strong language because I feel strongly about this—that it was a shabby way of dealing with the cost of living of the Canadian people. To bring down a policy, to insist that it is a right policy, to say that all the various circumstances are understood and then to say, in order to be able to make some political speeches across the country, that the question is being sent to a committees for study, is not good enough.

If any investigation of this question should have been made by a parliamentary committee it ought to have been done before the minister produced those policies. In that case those policies might have served the interests of the people of this country rather than doing the opposite, as I feel they do.

Mr. Sharp: Would the hon. gentleman permit me to ask him whether he read or listened closely to the remarks I made yesterday as reported at page 8215 of *Hansard*, when I said that "an alert and informed public opinion could play an important role, as well as those directly involved?" Certainly, one of the purposes of this committee would be to help inform the public and, I hope, the hon. gentleman, too, of some of the facts about this situation and the kind of response which would be most suitable.

Mr. Nasserden: On the point of order the minister raised, I always thought a committee was set up not to inform the public but to get information from the public.

Some hon. Members: Both.

Mr. Lewis: Let me say to the minister that I listened to him carefully and I have no

doubt that an informed public opinion may be of help in this case as in many other cases. This may be the small element of value which will come out of the committee's sitting.

What I rose to say, as emphatically as I could, is that the minister either did not know what he was doing yesterday or this reference to a committee is a sham.

Mr. Sharp: It is neither.

Mr. Lewis: It ought to be clearly understood by the people of Canada that the minister can only have it one way or the other. He cannot have it both ways.

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, if I recall the time when the hon. minister brought down his budget, last spring, it was noticeable that it was an American hat, not made to suit the head of Canadians, but for a Canadian head shaped to wear an American hat.

After his last trip to the United States, at the last conference, the minister came back with the price of the hat.

[*English*]

After having the hat adjusted to fit the American head, the minister would fasten the price tag on that hat as furnished by the Americans, and we cannot go to a committee to find out what is wrong. Sometimes I think that with this program we have been given a pretty close shave.

I do not have anything against parliamentary committees, especially when the Secretary of State is the chief witness. We always get amiable answers from her, if not the correct ones. I do not accept that the setting up of this committee will change the situation very much. The minister has set out the government's policy and by the time the committee is in a position to report he may well have put his policies and restrictions into operation as far as possible, so that if the committee does make any recommendations they will come too late, as the hon. member for York South (Mr. Lewis) has stated.

The minister told us yesterday that as long ago as midsummer of last year he began to take precautions. Well, he might have taken even greater precautions and got this committee set up then. We are now in the middle of this inflationary situation. We have the hon. gentleman's own policy to deal with, though at the same time he is asking a committee to find out what is wrong. If he does not know what is wrong, how can he be sure his policies are correct?

In the circumstances we have little choice, however, and we must let this subject go to a committee for examination.

Mr. R. N. Thompson (Red Deer): I agree with most of what has been said by the hon. member for York South (Mr. Lewis). Unfortunately, this committee is being set up much too late and the information which it is likely to bring out not necessarily basic to the issue. The underlying reasons for our present difficulties go much deeper and our troubles will never be corrected until financial policies are followed which are very different from those enunciated by the minister last night.

Having said this, I would add that the urgency of a committee study is more acute than it was earlier, simply because as we enter upon centennial year there are problems which are bound to show up within the economy as far as the cost of essential items is concerned; I am thinking of the cost of food. I believe that even at this late stage the work of the committee will be extremely important.

Thus, while in my opinion it would have been far better for this committee to have begun its work much earlier, and though many of the factors which affect the cost of living are beyond the control or range of the committee as they relate to government policy, it is none the less imperative that the committee be assembled at this time, because real urgency attaches to the matter.

Mr. Nasserden: Has the Minister of Finance considered the possibility of placing a date—

Mr. Speaker: Order. We are not now in committee and I suggest that a further exchange of questions and answers at this stage would not be appropriate.

Mr. Nasserden: I would suggest, then, Mr. Speaker, that it would be a good thing if a date were placed in this resolution by which the committee could try to conclude its hearings. The committee studying consumer credit has been sitting, now, for two years. We do not want this other committee to be sitting for two or three years before making a report.

An hon. Member: It is the same committee.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a few additional words with regard to this

proposal to refer this matter to a special committee. I support the position which has been taken by the hon. member for York South (Mr. Lewis). It strikes me that even while this special committee is inquiring into changes in the cost of living in Canada, further changes will take place.

• (6:00 p.m.)

One of the reasons there will be further increases in the cost of living is because of the speech the Minister of Finance made yesterday. While he was careful not to forecast the exact type of tax increases that would be made, nevertheless he made it clear that there would be tax increases, and newspapers across Canada today are putting those increases into figures and letting Canadians know that tax increases are coming. It is inevitable that some of the very practices the minister referred to yesterday will continue. People in all sectors of the economy, in all walks of life, will be doing their best to protect themselves against the increased taxes that are coming in the fall, and this is bound to push prices up.

If the Minister of Finance and his government have any measures to cope with the present situation they should be bringing them before parliament now. We should be sitting here next week and we should have those measures before us.

Since I have said a word about what the minister has done in announcing his tax increases I also want to protest against the context in which he announced them. I quote a few words from the minister's speech, as reported at page 8217 of yesterday's *Hansard*:

> When we have before us, perhaps in late October, the measures to authorize the increased revenues made necessary by the income guarantee plan we will be able to review our general fiscal position and consider what changes are desirable in the light of the economic and financial situation.

As a result of that statement it is already being asserted in the press that the reason we are going to have increased taxes is because of what the government calls its income guarantee plan. We all know that that is the phrase which is being applied to the government's proposal to increase old age pensions under the conditions announced by the Minister of National Health and Welfare on July 14.

I remind the Minister of Finance that according to a table on page 2824 of the *Canada Gazette*, Part I, dated Saturday, August 27, 1966, the taxes that he is taking from the Canadian people for the purpose of old age security are running on an average of $24 million a month more than is being paid out in old age security. The figures have varied from month to month, but in the month of July the surplus of tax receipts for pensions over the amount paid out was $29.9 million, and for a period of four months the average has been $24 million a month. In other words, there is something in the order of $300 million of a surplus building up in old age security tax receipts in this fiscal year.

Mr. Sharp: Mr. Speaker, may I be permitted to ask a question. Has the hon. gentleman looked beyond the immediate future to see that surplus disappear very rapidly?

Mr. Knowles: Mr. Speaker, we have been through this in various ways a number of times. When the government raised the old age pensions from $65 to $75 a month it said there had to be an increase in taxes, but after being pressed on the point, and having seen fit to lower the eligible age from 70 to 65 on a year-by-year basis, the government then said revenues were more buoyant and it would not be necessary to increase taxes for that purpose.

I submit that the revenues are turning out to be more buoyant than the government itself had anticipated, and that for the immediate future there is no need to increase taxes to pay the kind of pensions the government has in mind.

The Minister of National Health and Welfare on July 14 said that the cost in the initial year of the program he announced that day would be of the order of $225 million. The Minister of Finance is collecting an extra $300 million or more in this fiscal year. Therefore he has no right to say to the Canadian people, as he did yesterday, that one of the reasons, or indeed as some newspapers interpret it, the reason for having to increase taxes is because of the plan to increase pensions.

If the minister wants to raise taxes for some other reason, I think he should be straightforward with us and tell us what that other reason is. It is not for the purpose of pensions, because as I have pointed out, and I have quoted from official government statistics, the amount being collected in sales tax, corporation tax and individual old age security income tax in the current fiscal year—and these taxes are collected on an earmarked basis for old age security—is running at an average of $24 million a month more than is being paid out.

I do not think it is fair to suggest to the people of Canada that any pittance that is going to be given to the old people on a needs or means test basis is of an amount that requires additional taxation. Therefore I say that instead of this matter being referred to a committee, which will have to study not only price increases which have taken place in recent months but will be confronted with the price increases taking place while it is sitting, we should be staying here dealing with the problems of inflation, our fiscal problems, and above all meeting the emergency needs of our senior citizens.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am not going to go over the ground that I covered earlier but I want to repeat that adjourning at this time is a perversion of the responsibilities of parliament to meet a major problem, namely that of inflation. There are also other problems that should be dealt with. Instead of facing the issue the government produces an amendment to a motion giving a committee the power to inquire into and report upon trends in the cost of living in Canada and factors which may have contributed to changes in the cost of living. It is not investigations such as this that are needed at this time; it is action by the government, a government which has no apparent realization of what should be done, how to do it, when to do it, or even whether to do it.

I say no more than that the setting up of this committee is simply political eyewash on the part of the government, and an adjournment at this time—I must join both together—is a gross perversion of the responsibility of parliament to meet a problem that will intensify in the weeks of the adjournment and with regard to which legislation cannot possibly be brought before parliament before the expiry of six weeks.

What is the committee to look into? I thought the Economic Council of Canada had looked into this matter. I thought the minister was the embodiment of all the information that anyone could possibly secure on this subject, with the outstanding staff that he has available. I thought the Bank of Canada had looked into this matter. The minister comes along and says to parliament now: I want to empower a committee to look into the question.

This is nothing but a political dodge designed to give the government extra time to consider a matter with regard to which they have apparently been dormant while it has multiplied and intensified. Of course, we cannot vote against this committee because, after all, committees will meet; but too often the setting up of a committee is nothing but a subterfuge on the part of the government to get away from making any decision or taking any action that has to be taken.

• (6:10 p.m.)

I conclude by saying that the people of Canada will not be fooled into believing that it is the opposition that makes it impossible for this government to act, and that is one of the major trends and political devices of the government at this time. We are sitting here now; let us act if you have any policies. Up to the present time in this regard you have shown a poverty that is both unseemly and a matter for deep condemnation. As the government postpones further action by another committee, the thief of inflation continues to pick the pockets of Canadians.

Mr. Speaker: Is the house ready for the question? Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion as amended agreed to.

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY—REJECTION OF SUGGESTION TO HAVE COMMITTEE SIT DURING ADJOURNMENT

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I wonder whether I may have leave of the house to do something I quite frankly confess I forgot to do yesterday after the motion to send my bill to the committee was adopted. I should have asked leave to allow that committee, if it was felt expedient and there was general agreement, to sit during the period of adjournment in order to consider Bill No. C-231. If that is agreeable could an order be made?

Mr. Churchill: No.

Mr. Speaker: Mr. Pickersgill moves, seconded by Mr. McIlraith, that the transport and communications committee have leave to sit, notwithstanding any adjournment of this house.

Mr. Churchill: Mr. Speaker, an objection was made to the introduction of this motion.

Mr. Speaker: I regret that I did not notice an objection. Of course the minister needs

unanimous agreement to move such a motion. Apparently there is no such agreement so the motion cannot be put.

BUSINESS OF THE HOUSE

MOTION TO ADJOURN TO OCTOBER 5, 1966

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

That, when this house adjourns at the end of this sitting, it shall stand adjourned until Wednesday, October 5, 1966, at 2.30 o'clock p.m. provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

In the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

Perhaps I should say, Mr. Speaker, that this motion is in the same terms as the motion of July 14.

Mr. Howard: Mr. Speaker, I rise on a point of order. I did not hear the minister preface his motion by a request for unanimous consent. This is the type of motion which requires unanimous consent. On the face of the situation I for one am not prepared to give that consent unless the government admits it is pushing this motion before the house because it is unable to meet parliament next week as it does not have its legislative program ready and is not prepared to go ahead with items such as inflation, the medicare bill, which is on the order paper, the Bank Act and, even though this is regional, the proceedings relating to a bill regarding the Bank of British Columbia. Like the right hon. Leader of the Official Opposition (Mr. Diefenbaker) and many others here, I am of the opinion that parliament should meet next week to deal with the public's business rather than run off across the country on holidays, regardless of how inept the government is in handling its business.

Mr. McIlraith: Mr. Speaker, in respect of the question about consent, I understood there was consent to put the motion given earlier today, when I raised this matter during motions.

In any event I should clarify some of the misconceptions that seem to have arisen in the hon. member's mind on the subject of the adjournment. The house stood adjourned from July 14 until October 5. It was called back to deal with what I think all hon. members will agree was an emergency situation requiring the immediate and urgent attention of parliament, namely, the stoppage of railway services. To have them resumed the government submitted the railway legislation, popularly called the strike bill, and the transportation bill having to do with the substantial railway legislation arising out of the MacPherson report.

Mr. Churchill: That was smuggled in.

Mr. McIlraith: As was made evident in the speeches made by hon. members, this latter bill was regarded as an important and urgent matter and it was debated by this house.

At the opening of this emergency session as well as during the proceedings it was made clear that the government's intention was to deal only with the legislation for which the house was assembled. There was also a request made by the right hon. Leader of the Opposition that there should be a day's debate on inflation.

In accordance with that request it was agreed that we sit for one day to discuss inflation, but in point of fact we have discussed it for more than a day and a half. It was a very proper request. Our commitment was kept.

What is being put forward now is a motion on which the house had passed its judgment on July 14. It is only a technicality that requires us to put this motion again. I would point out to the hon. member that in the fight against inflation, as should be clear from the speech made by the Minister of Finance (Mr. Sharp) last evening, a good many steps must be taken, one of which was the creation of this committee, but many of which require the attention of the government.

I wish to draw the attention of the house to the fact that the International Labour Organization is meeting here next week. It is an important meeting in this period of the development in labour relations, moreover, Canada is the host country. This is a very great honour. The proceedings of this organization are to be opened in this chamber next Monday morning. It is hoped and expected that all the plenary sessions of that meeting will be held in this chamber.

I believe this meeting will continue for about two weeks. Immediately afterward the meeting of the Commonwealth Parliamentary Association is to take place. That will be of great interest, I think, to most or all hon. members, and we hope to have hon. members

available to take part in those meetings. That cannot be done while the house is sitting.

At present the Prime Minister is attending the Commonwealth Prime Ministers Conference. I think all hon. members will agree that the business before that meeting is of the utmost concern to Canada as a member of the Commonwealth. We have indicated our firm intention, and indeed, our program for the balance of this session. When we adjourned in July the house set October 5 as the date for reconvening. I think it should be very clear to the hon. member that the decision to recess now until October 5 is not only consistent with the earlier action of the house in fixing that particular date, but is the appropriate one having in mind all the circumstances as they exist at the moment. I think hon. members will agree that is a fact.

• (6:20 p.m.)

Now, I am glad to welcome the hon. member back to the house. I hope he will be equally tolerant if I myself want to be absent from this place for a few days. I hope he will view my proposals in the kindly light in which I have viewed his return. I hope he will welcome me on October 5 with all the warmth with which I will welcome him on that occasion, when we meet to deal with the second reading of the bank legislation, the medicare bill, and the other important legislation that lies before us.

Mr. Churchill: And the defence act.

Mr. Howard: I wonder if I could say that at least we have a kindly gentleman in the government house leader. I should like to deal, point by point, with the reasons he has given. I believe that there is not one of them that is valid. He spoke of parliament being called back for the purpose of dealing with some particular items. There is no doubt that was the motivation, in the first instance, for parliament having returned. However, in *Votes and Proceedings* for Monday, August 29, there is set out the following:

> After consultation with the government, I am satisfied that the public interest requires that the House of Commons, which was adjourned on Thursday, July 14—

Then, the dates are set out, and I continue:

> —should meet at an earlier time. In pursuance to the order of the House of Commons passed Thursday, July 14, 1966, I hereby give notice that the House of Commons shall meet on Monday, August 29, 1966, at 2.30 o'clock p.m., and transact its business as if it had been duly adjourned to that time.

The business of the House of Commons is really the business of the people of Canada. There is no indication in there that parliament was returned specifically to deal with two particular items of legislation. The information given by the Minister of Public Works (Mr. McIlraith) to the effect that parliament came back solely to deal with two items is incorrect. The information he gave, that the debate on inflation was an extraordinary arrangement made to suit the convenience or at the request of the Leader of the Opposition (Mr. Diefenbaker), is also incorrect, because these were the normal sitting times of the House of Commons.

Monday will be a normal sitting day as well, and at that time we could carry on with whatever business the government deemed it advisable to call for that time, if it deemed anything to be worthy of the consideration of this house. Reference was made to the Minister of Finance (Mr. Sharp) having dealt with the matter of inflation succinctly. This assertion has been pretty well demolished by everyone on the opposition side who took part in the debate, both on the estimates of the Department of Finance and the motion to enlarge the terms of reference of a particular committee, indicating that whatever the Minister of Finance advocated was, in the word of the Leader of the Opposition, "eyewash" and in the words of the representative of this party, "A coverup for complete ineptitude in this field".

The matter of the I.L.O. meeting, of course, is something which undoubtedly was planned some time ago. I am quite sure the delegates from the International Labour Organization will not be inconvenienced if they are asked to sit in the Senate chamber rather than here. Whether or not the senators are there, it is really a vacant place and it should be put to some worth-while use. However, the reference to the I.L.O. conference and the Commonwealth Parliamentary Association conference as reasons why parliament should not meet next week is merely an admission on the part of the government that affairs in other countries are far more important than the affairs of the people of Canada. Even the reference to the Prime Minister being away in London buttresses that sort of reasoning. So far as we are concerned, the affairs of the people of Canada are the important ones with which we should be concerning ourselves. So far as the Prime Minister being absent in London is concerned,—good heavens, we have been carrying on the business of this country

for the last two and a half years without a Prime Minister. I do not see why we should worry about his presence in London.

All that I can glean from the reasons, spurious and false, which are given by the Minister of Public Works is simply that the government is not prepared to meet parliament and to deal with the affairs of the nation; that it would rather push things to one side for another three or four weeks in hopes that some of these problems will disappear and that in the intervening period they will find something to deal with and present to parliament on October 5. In the light of this sad admission of an absolutely complete bankruptcy by way of program, ideas and legislation on the part of the government, we have no other choice but to adjourn.

Mr. Speaker: The motion is to the effect that when this house adjourns such and such will happen. Is the house ready for the question?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, perhaps enough was said before the motion was put to make clear how we feel about this motion. We think there is an emergency in this country with which we should be dealing—it has been highlighted in recent days—namely the rising cost of living and its effect in particular upon our old age pensioners. We were sent home on July 14 with only a statement and we were asked to wait till fall. We are now asked to wait again. We think it would be far better to stay here and deal with the nation's business, particularly this important issue of raising the old age pension. I am against the passing of this motion.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Knowles: On division.

Motion agreed to on division.

TRANSPORTATION

PROVISION FOR DEFINITION AND IMPLEMENTATION OF NATIONAL POLICY—REJECTION OF SUGGESTION TO HAVE COMMITTEE SIT DURING ADJOURNMENT.

Mr. Pickersgill: Mr. Speaker, I wonder whether I might be permitted to make an appeal to the right hon. Leader of the Opposition (Mr. Diefenbaker), one of whose followers took exception to my motion a little while ago, to say that it was not intended to have the committee meet immediately, but it was thought that if it could meet around September 27, a week before the house resumes, it would be possible to hold some of the hearings and hear some of the members of the public who might wish to appear. When this session resumed we would be in a better position to get down to the detailed consideration of the bill. I wonder if the house would consider an appeal, if there were general agreement in the steering committee, for the committee to be permitted to sit before the house resumes?

[Mr. Howard.]

• (6:30 p.m.)

Mr. Churchill: Mr. Speaker, in reply to the request of the hon. minister, if he were not quite so late I should like to draw to his attention certain episodes in the past when any slight error on the part of the government of that day and on the part of the house leader were trumpeted across the country. We are more charitable than the minister. I will not give him a lecture on his incompetency and inefficiency on this occasion. I have consulted with some members of our party who are intensely interested in the committee work and are members of that committee. They tell me it is not possible for them to meet with this request. Consequently, we must on this occasion—

Mr. Howard: Reluctantly?

Mr. Churchill: Yes, reluctantly decline the suggestion of the Minister of Transport to pull him, and with him the incompetent government, out of the mess they are in.

I think the business of the transportation committee will be satisfactorily dealt with when it meets in October. The people who are preparing briefs should have time to get those briefs ready. They have to study a very extensive bill, and here again a little extra time for people like that will be advantageous. The minister will end up eventually with a very much improved bill.

Mr. Pickersgill: Mr. Speaker, I am much too charitable to say that what the hon. gentleman said makes a mockery of what we have been listening to for the last 15 minutes.

Mr. Churchill: Nonsense. I wish I had extended my remarks and really exposed how incompetent the government is.

Mr. Knowles: I wonder if I might ask the government house leader, or somebody on the government side, a related question. If it is deemed necessary to have this kind of motion to enable a committee to sit when the house is in recess, I wonder if an appropriate step

will be taken with respect to another committee? I personally doubt whether a motion is necessary, in view of the fact that the Canada Pension Plan committee sat at the time it did without such a motion. But what about the committee that has had referred to it the three bills dealing with the public service, and notably the one dealing with collective bargaining in the public service? Perhaps an answer might be given to that question. An emergency is building up—

Mr. Churchill: Let the house come back next week and get on with it, then.

Mr. Pickersgill: If hon. members cannot be here for the committee, how can they be here for the house?

Mr. McIlraith: I want to answer the question asked by the hon. member for Winnipeg North Centre about the committee on the public service. That committee, I had hoped, would find it possible to meet a week before the session resumed on October 5. There seems to have been considerable opposition within that committee to that plan.

Mr. Lewis: Not from us.

Mr. Knowles: We are ready to meet.

Mr. McIlraith: That is why I did not propose to amend their terms of reference, to give them that authority.

I do hope that our rules could be changed to deal with the subject. I do not want to get into the question of legal opinion but there seems to have been some doubt as to the need for this power to be granted by the house. The better opinion seems to be that it is legal and certainly, in the interest of caution, if the committee is going to sit, leave should be granted. As I say, the better opinion seems to be that it is needed.

Mr. Diefenbaker: What does the minister mean by saying there is some doubt?

Mr. McIlraith: Doubt about the requirement that a committee needs to be granted power to sit while the house is adjourned. There is no doubt that a committee requires authorization by the house to sit while the house is sitting and that a committee has no power to sit after the session is prorogued. But as to what might happen when the house merely recesses, there are two opinions, and I regret to have to say that the better opinion seems to be that the house has to authorize a committee to sit during the period when the house is adjourned.

Mr. Diefenbaker: That is the reason I asked the question. I thought that was obvious.

Mr. Knowles: May I put one other question to the leader of the house?

Mr. Churchill: What order of business are we discussing, now?

Mr. Knowles: That is a good question.

Mr. Speaker: Of course, the questions which have been asked, and the statements which have been made, were all by leave. I am sure there is nothing before the house at the moment. The only thing the Chair would entertain would be a motion to adjourn. But I suppose, by unanimous agreement, there would be no objection to hon. members asking what the business of the house is to be, or seeking information of that nature.

Mr. Churchill: Will it be in order if I subsequently direct some questions to the Minister of National Defence, because there are two or three questions I should like to put to him?

Mr. Speaker: I thought the hon. gentleman had asked all the questions he had in mind.

Mr. Churchill: Oh, no.

Mr. Knowles: I have just one brief question. In view of the fact that committee work does seem to be piling up, will the government consider during this recess the possibility of calling parliament back and giving authority to the committees so that they can get down to their work, including the work of the defence committee in which the hon. member for Winnipeg South Centre is interested? There might be sufficient urgency to justify calling the house back earlier than October 5 in order to get these committees functioning.

Mr. McIlraith: I can give that assurance because the government has already started to look at the possibility of having a rule to deal with this subject.

Mr. Churchill: May I now ask a question? What are all these mysterious sentences used by the leader of the house? He tells us the government is looking at something to see whether there is a rule for something. Let us have parliament in session and have things out in the open.

Mr. McIlraith: I would be very glad to bring them out in the open. The leader of the

house finds it very necessary that an examination be made of possible changes in the rules with a view to deciding whether they are suitable to be recommended for the consideration of this house at some future time. One of these rules is, I believe, No. 117. At any rate it is the final standing order used in the United Kingdom and it has to do with adjournment. Instead of the motion we put a few minutes ago we would rely on the standing order. Another is the rule permitting committees to sit while the house is adjourned. I find on examination that our committees have on many occasions sat on Saturdays when the house was adjourned and no leave had been granted.

Mr. Churchill: Oh, yes, but that is not what was in the mind of the committee on the rules which sat a couple of years ago. That committee wanted the house to be adjourned and a committee system introduced so that the government could be free from the question period every day, and the business of the house shelved.

Some hon. Members: Oh, oh.

Mr. McIlraith: I was merely trying to answer questions which had been asked. I have no idea what that committee had in mind at different times.

• (6:40 p.m.)

Mr. Churchill: May I ask a question of the Minister of National Defence now, sir?

Mr. Speaker: I suppose we have concluded the item "chit chat."

Mr. McIlraith: Mr. Speaker, I move that the house do now adjourn.

Mr. Hellyer: May I second that motion.

Mr. Diefenbaker: The Minister of National Defence certainly gets off the hook now.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to and the house adjourned at 6.43 p.m. until Wednesday, October 5, at 2.30 p.m.

HOUSE OF COMMONS

Wednesday, October 5, 1966

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE EARL AND COUNTESS OF AVON

Mr. Speaker: May I crave the indulgence of the house in order to draw the attention of hon. members to the presence in the Speaker's gallery of a very distinguished former Prime Minister of Great Britain, Right Hon. the Earl of Avon, and of the gracious Lady Avon.

Some hon. Members: Hear, hear.

PRESENCE AT TABLE OF CLERK AT TABLE AT WESTMINSTER

Mr. Speaker: May I draw the attention of the house to the presence at the table of Mr. Charles Gordon, a Clerk at the table at Westminster. Mr. Gordon's presence here today is the first step in an exchange of Clerks between our parliament and the United Kingdom house.

• (2:40 p.m.)

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the Chief Electoral Officer the election certificate of Mr. Florian Côté for the electoral constituency of Nicolet-Yamaska.

INTRODUCTION OF NEW MEMBER

Mr. Florian Côté, member for the electoral district of Nicolet-Yamaska, introduced by Right Hon. L. B. Pearson and Hon. Lucien Cardin.

[*English*]

BUSINESS OF THE HOUSE

CHANGES IN TITLES OF MINISTERS SPONSORING BILLS

Mr. Speaker: As a result of the rearrangement of ministerial designations certain changes will be required with respect to the listing of government orders on today's order paper. Where required, the titles of ministers listed as sponsors of several bills will be altered to reflect the new ministerial designations.

ADMINISTRATION OF JUSTICE

TABLING OF REPORT OF SPENCE ROYAL COMMISSION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wish to table a copy in English and in French of the report of the commission of inquiry into matters relating to one Gerda Munsinger.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADA COUNCIL CULTURAL GRANTS

Question No. 710—**Mr. Fairweather:**

What grants, expenditures or contributions have been made by the Canada Council for bursaries, scholarships, fellowships and for encouragement of the arts and other cultural activities for 1962, 1963, 1964 and 1965 in each province of Canada and in the Yukon and Northwest Territories?

Hon. Judy V. LaMarsh (Secretary of State): The Canada Council has provided the following answer: As these statistics had not been developed in the past, the council had a special review made of its existing records and files. The survey has established that the various expenditures of the council cannot be summarized in the form requested, for the following main reasons:

(1) Although the exact fraction cannot be determined, as much as one third of the council's grants to organizations (such as for interprovincial touring, national conferences, projects or services, etc.) cannot be said to have been spent in any one province in particular;

(2) In the case of some two thirds of the awards made to individuals, the province of application and award (not to speak of the province of domicile) differs from the place where the applicant wishes to spend the award;

(3) While records have been kept of all awards made, it is not possible to retrace all the requests which have been made and have determined the council's response, so that essential information on the ratio of approvals to applications is not available.

Following the survey just completed, the council is taking steps to develop various forms of statistical information and analysis which would provide meaningful additions to future annual reports.

Questions

AWARD OF CANADA COUNCIL FELLOWSHIPS

Question No. 1,206—**Mr. Schreyer:**

1. What are the names of all personnel involved in the various committees constituted to receive applications for Canada Council fellowships and the awarding of same at the pre-doctoral and post-doctoral levels?

2. What are the criteria by which these awards committees are guided in the determining of eligibility of candidates for Canada Council fellowships at the pre-doctoral and post-doctoral levels?

Hon. Judy V. LaMarsh (Secretary of State): The Canada Council has provided the following answer: 1. The Canada Council has appointed an academic panel, consisting of 15 members, who represent the major disciplines of the humanities and the social sciences. It acts as a final review committee for the adjudication of competitions. The members are as follows: Prof. John F. Graham, Head, Department of Economics, Dalhousie University (Chairman); M. Albert Faucher, Faculté des Sciences sociales, Université Laval; Prof. T. A. Goudge, Chairman, Department of Philosophy, University of Toronto; Prof H. B. Hawthorn, Head, Department of Anthropology and Sociology, University of British Columbia; Prof. J. E. Hodgetts, Department of Political Science, University of Toronto; Dr. W. C. Hood, Adviser, Bank of Canada; M. Maurice L'Abbé, Directeur, Département de Mathématiques, Université de Montréal; Rév. Frère Clément Lockquell, Faculté des Lettres, Université Laval; Rév. Père Bernard Mailhiot, Centre de Recherches en Relations humaines, Université de Montréal; Prof. J. R. Mallory, Chairman, Department of Economics and Political Science, McGill University; Prof. W. L. Morton, Department of History, University of Manitoba; Prof. John A. Porter, Faculty of Arts, Carleton University; Prof. Malcolm M. Ross, Department of English, Trinity College, University of Toronto; Prof. Clarence Tracy, Department of English, University of Saskatchewan; M. Marcel Trudel, Department of History, Carleton University.

The membership of the various screening committees changes from year to year but is always drawn from the more senior ranks of the academic community. The names of members (approximately 50) have been kept confidential in order to ensure that any applications and representations are directed in an orderly fashion to the council's secretariat.

2. There are two types of criteria which guide the screening committees in determining the eligibility of candidates. These are

[Miss LaMarsh.]

(a) Prerequisites established by the Canada Council concerning: (i) specific disciplines for which the council must assume responsibility; (ii) citizenship, domicile, and residence; (iii) level of scholarship (graduate, post-doctoral, etc.); (iv) value of awards to be made; (v) number of awards available; (vi) terms of renewal and extension.

(b) The professional norms applied by the expert assessors: The council asks the screening committees to apply the same canons of scholarly assessment which inform their judgment in the regular exercise of their academic duties.

SAWMILL CONSTRUCTION, CHAPLEAU COUNTY, QUE.

Question No. 1,362—**Mr. Laprise:**

Did the government have a sawmill built at Lake Mistassini, Chapleau county and, if so (a) to what contractor was the work given (b) what was the cost of construction (c) on what date did the work begin (d) when was the work completed (e) how many people are employed in that sawmill?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Yes; (a) as the sawmill was built by Indian labour under the direction of a non-Indian foreman, a construction contract was not awarded; (b) cost of construction and installation was $16,991.62; (c) April, 1962; (d) September, 1962; (e) employment varies with seasonal factors and demand for product. At capacity, 13 persons work in the mill, and 25 others in directly associated forestry operations.

C.N.R. CLEANING AND MAINTENANCE CONTRACT, QUEBEC CITY

Question No. 1,385—**Mr. Ricard:**

Has the Canadian National Railways entered into a contract in Quebec city for the cleaning and maintenance of its freight cars and, if so (a) was this contract entered into between the C.N.R. and one of its own employees and, if so, what is this employee's name (b) was the contract given out after tenders were called for (c) does the new contracting party supply his own equipment (truck, ice crushing machine, conveyor, etc.) (d) who is the owner of the said equipment (e) is the policy followed by the C.N.R. in this case its regular one (f) has the C.N.R. been required to pay anything in addition to the price of the contract (g) for what price was the contract given out?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management

of Canadian National Railways advises as follows: Yes. (a) A contract was entered into with Juco Cleaning Reg'd. of Quebec. The registered owner of that firm is listed as Gaston Judd. Mr. Judd is regularly employed by the railway as a carman. (b) Yes. (c) The truck and ice crushing machine are owned by the railway and used by the contractor in accordance with the conditions advertised in the call for tender. This arrangement was made in order to encourage competition in bidding for the work since few contractors possess the equipment necessary for the icing of railway cars. Equipment other than the truck and ice crusher is supplied by the contractor. (d) The railway company does not know the ownership of the equipment supplied by the contractor. (e) The procedure was consistent with company policy in that the contract was awarded, after public tender, to the lowest competent bidder. The responsible officers were satisfied in this instance that the contractual arrangement was to the best advantage of the company and that the company's interests were in no way prejudiced by the fact that the contracting party was regularly employed in another capacity. (f) No. (g) It is not the practice of the company to disclose contract prices. The price was based on the lowest bid out of 17 tenders received.

NATIONAL CLEAN-UP CAMPAIGN

Question No. 1,495—**Mr. Mongrain:**

Has the government received representations regarding a campaign of beautification and clean-up across Canada on the occasion of Expo '67, and especially regarding the elimination of slums along railway lines, the elimination of heaps of refuse, and the encouragement of repair and painting of railway stations and beautification of their approaches?

Hon. Judy V. LaMarsh (Secretary of State): Yes. The centennial commission has had inquiries from the provinces, from municipalities and from professional and service organizations about a nationally supported program for community improvement and beautification. The inquiries have shown widespread concern for community improvement together with requests for guidance and assistance in the implementation of community improvement projects.

The centennial commission is developing a national community improvement program which represents the call to action for Canadians to improve the appearance of their urban and rural environment. This program was actively initiated by the centennial commission in mid-1965 with the first national seminar ever held in Canada on the subject of community improvement and beautification, when guide lines were established for the community improvement program. The second seminar held in Ottawa on April 22, 1966 had as its theme the "Call to Action" for Canadians to embark on a campaign of clean up, paint up, landscaping, beautification and over-all improvement of our surroundings.

The role of the centennial commission is to co-ordinate and direct a community improvement program through the provinces to every municipality or rural area in Canada. The centennial commission is preparing information and guidance material on community improvement for widespread distribution and will give professional assistance wherever possible as a means toward encouraging the implementation of local projects for 1967 and beyond.

This national program has been initiated by the centennial commission on the occasion of the centennial of the confederation and not specially on the occasion of Expo '67.

CANADIAN JAVELIN LTD.—PRESS STATEMENT RESPECTING ROAD CONSTRUCTION

Question No. 1,613—**Mr. Brand:**

1. Did any departments of government have delivered to them the press statement of Canadian Javelin Limited last August advertising that the federal government was providing $35 million for the construction of a highway connecting Goose Bay, Lake Melville and the gulf of St. Lawrence which will permit winter shipments from the proposed mills for the operation of the Doyle interests?

2. Did the Prime Minister or any member of the government agree with Premier Smallwood or John Doyle that federal assistance would be given for such projected road?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by all departments as follows: 1 and 2. No.

FUNDY TRAIL DEVELOPMENT

Question No. 1,662—**Mr. Kennedy:**

Is the Atlantic Development Board giving consideration to the development of a scenic tourist highway from St. Stephen, New Brunswick, to Yarmouth, Nova Scotia, commonly referred to as the "Fundy trail"?

Hon. J. W. Pickersgill (Minister of Transport): I am informed by the Atlantic Development Board as follows: The board is not

giving any specific consideration to the development of the "Fundy trail". However, the planning division of the board has commissioned a tourist and recreation survey, which is designed to investigate the feasability of all means of developing the tourist and recreation industry of the Atlantic provinces.

RELOCATION OF RAILWAY STATION, OTTAWA—LOSS OF JOBS

Question No. 1,701—**Mr. Isabelle:**

As a result of the relocation of the Ottawa Union Station to Alta Vista, will any C.N.R. employees lose their jobs and, if so (a) how many (b) how many will become pensioners and what are their names?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: As a result of the opening of the new passenger terminal at Ottawa and the consequent transfer of facilities from the former Union Station, there was a reduction of 23 positions. However, all employees have been absorbed in other positions and there has been no lay-off except in one instance where the employee requested lay-off status rather than accept alternative employment. During the latter months of 1966 and in early 1967, a further 18 positions may be affected.

The company is using every means at its disposal to find some type of work within or outside the railway for the employees concerned. Collective and personal interviews have been held, counselling service provided and assistance from federal agencies sought.

EDUCATION SECRETARIAT, SECRETARY OF STATE DEPARTMENT

Question No. 1,720—**Mr. Bell (Carleton):**

1. Has an office or secretariat of education been established in the Department of the Secretary of State?

2. If so (a) what precisely is its nature or terms of reference (b) when was it established (c) by what authority has it been established (d) what persons have been appointed to the office or secretariat (e) what position does each such person occupy (f) what specifically are his responsibilities?

3. If not (a) what precisely is the nature of the action in respect of education which has been taken in the Department of the Secretary of State (b) what persons are responsible for such work in the department (c) what position does each such person occupy (d) what specifically are his responsibilities?

4. Have any competitions been held for appointments to any positions in the Department of the Secretary of State related to education?

5. If so (a) when (b) for what position or positions (c) with what result?

6. Have any officers been transferred from the Department of Finance to the Department of the Secretary of State to direct or supervise (a) university grants (b) other educational matters?

[Mr. Pickersgill.]

7. If so (a) when (b) for what positions (c) for what specific responsibilities of each transferee?

Hon. Judy V. LaMarsh (Secretary of State): 1. A branch has been established in my department to deal with questions arising out of the federal government's assistance to higher education.

2. (a) The task of this branch will be to assist the department in its new responsibility of bringing together within the federal government the views of the several departments and agencies which are concerned with financial aid for higher education. In addition, the branch will administer the present federal program of per capita grants to universities, and my expectation is that it will also administer the Canada student loans program.

(b) The branch was established on Sept. 1, 1966.

(c) It was established by Treasury Board authority 658772.

(d) (i) Mr. C. L. Gill, an administrative officer in my department, has been working full time on the financing of higher education since February 1966.

(ii) Mr. R. Ross, the registrar and director of student services, University of Toronto was seconded in September 1966 to my department by his university to work for a year as a consultant on questions relating to the federal government's financing of higher education. During his period of secondment, Mr. Ross will direct the new branch in my department.

(e) and (f) answered by (d).

3. Answered by 2.

4. Yes.

5. (a) Competition 66-4431-A was conducted during the spring and summer of 1966.

(b) The competition advertised the position of a senior officer 1, whose responsibilities included the co-ordinating of federal activities in the financing of higher education, and the administration of the new branch in my department.

(c) No permanent appointment has as yet been made. Mr. Ross was a successful candidate in competition No. 66-4431-A, but after further discussion with the University of Toronto and Mr. Ross it was agreed that he be seconded by the university to my department until July 1967.

6. No.

7. Answered by 6.

*MEMBERS OF PARLIAMENT SERVING ON COMMISSIONS

Question No. 1,751—**Mr. Irvine:**

1. What present members of the House of Commons have formerly served, in any capacity, on royal commissions or other commissions set up under the Inquiries Act, R.S.C. 1952 chapter 154?

2. On what commissions or inquiries did each of them serve and in what capacity?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I am informed by several departments as follows: 1 and 2. From the information available concerning commissions of inquiry appointed under the Inquiries Act, R.S.C. 1952 chapter 154, it has been established that the following present members of the House of Commons have formerly served on royal commissions or other commissions: Mr. J. Davis, Royal Commission on Canada's Economic Prospects, Research Director; Hon. G. Favreau, The Patent, Industrial Design and Copyright Acts Commission of Inquiry, Commissioner; Hon. W. L. Gordon, Royal Commission on Canada's Economic Prospects, Chairman and Commissioner; Hon. M. Lamontagne, Royal Commission on Canada's Economic Prospects, Research Staff; Hon. J. Marchand, Royal Commission on Bilingualism and Biculturalism, Commissioner; Hon. M. Sauvé, Royal Commission on Canada's Economic Prospects, Assistant Secretary.

C.B.C. CONTRACT WITH TOM CONNOCHIE

Question No. 1,793—**Mr. Ormiston:**

1. During what period was Wing Commander Tom Connochie employed by the C.B.C., and in what capacity?

2. What were the terms of his contract(s)?

3. What are the names of all films which have been produced and/or directed and/or written by Mr. Connochie?

4. Have any of these films been used internationally and, if so, which ones were they, and where and when were they used?

5. Have any films produced by Mr. Connochie for the C.B.C. won national or international awards and, if so, what were these awards?

6. What was the name of the documentary chosen for a special project 1967 colour T.V. film?

7. Who is the author of the manuscript upon which the film script is based?

8. Who was the producer of this film?

9. Who was the director of this film?

10. Was there a centennial grant for this film?

11. Was the black and white film aired before the end of the 1965 budget year and, if so, what was the reason?

12. Will this film be shown, in colour, to members of parliament and, if so, when?

13. Were any atempts made by C.B.C. management to relieve the producer of this film of his assignment prior to completion of the film and, if so, under what authority of regulation, contract, or other legal right and for what reasons?

14. For what reason did the C.B.C. choose not to renew the normal one year contract with the producer, and was he so advised?

15. At what time was he involved in and responsible for any documentary film production?

16. Was a C.B.C. administrator responsible for the decision not to renew the contract of this producer and, if so, what is this person's name?

17. What is C.B.C. management policy in terminating contracts of persons in their employ for many years?

18. Does C.B.C. management provide for a thorough review of a case of this nature?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows:

1. Mr. Connochie was employed as a T.V. film director from March 7, 1957 to January 14, 1958, and as a T.V. producer from January 15, 1958 to May 14, 1966.

2. The terms were those of the standard C.B.C. contract for producers.

3. "Quiet Frontiers"; "No Other Highway"; "No More Strangers"; "Ride of Last Stage Coach"; "Cariboo Venture"; "Diary of Simon Fraser"; "Meet Lorraine"; "B.C. Centennial Show" (3 episodes); "Woodwards' Oakridge Opening"; "Lonesome Lake"; "Web of Life" series (39 episodes); "Patterns of Living" (adaptations from "Web of Life"); "Peace Power and the Trench"; "Bridge River Power Project"; "Portrait of Prince Rupert"; "Ghost of Wallachine"; "Big Game Hunt"; "Rodgers Pass"; "Wild Game Rescue"; "Survival"; "Victoria Nile"; "Bush Pilot" (3 episodes); "Portage Mountain Dam"; "Golden Fleece" (second version—Connochie's first completed version unacceptable); "Columbia River".

4. Yes. "Web of Life" 26 episodes by Granada TV, England, 1960; "Web of Life" 17 episodes by Australian Broadcasting Corporation, 1963; "Web of Life" 13 episodes by Television Malaysia, 1964; "Web of Life" 39 episodes by New Zealand Broadcasting Corporation, 1964; "Web of Life" 26 episodes by Cyprus through Global TV, England, 1965; "Web of Life" 13 episodes by Ghana Broadcasting Corporation, 1965; "Diary of Simon Fraser" by United Arab Republic TV, 1964; "No More Strangers" by United Arab Republic TV, 1964; "Quiet Frontier" by United Arab Republic TV, 1964; "Peace Power and the Trench" by United Arab Republic TV, 1964.

5. Yes. "No More Strangers", Ohio State University, 1959 (Honourable mention). "Web of Life", "Queen Charlotte Islands", Vancouver International Festival, Merit Certificate, 1961. "Web of Life", "Locomotion": Vancouver International Festival, Merit Certificate 1961. Ohio State University 1962, First Award. 2nd International TV Festival at Alexandria, Egypt, 1963, Educational Film Award. "Patterns of Living", Ohio State University, First Award, 1962.

6. "Columbia River".

7. D'Arcy Marsh.

8. Tom Connochie.

9. Tom Connochie.

10. Yes.

11. Yes. To fulfil program plans for the year.

12. Since the colour version is incomplete, an on-air date has not yet been decided and therefore no undertaking to screen it for Members of Parliament can be considered at this time. The black and white version has already been screened for a number of interested members.

13. No.

14. It has not been customary to require Crown Corporations to disclose information of this kind and the C.B.C. believes that deviation from this policy could only prove detrimental to the corporation and its employees.

15. Mr. Connochie was involved in documentary film production during the period referred to in (1).

16. See (14) above.

17. Each case is examined carefully on its merits.

18. Yes.

*CLAUDE GIROUX—GRANT FOR FEATURE FILM

Question No. 1,830—**Mr. Forrestall:**

Was any promise or undertaking given since July 1, 1964, by the Prime Minister and/or any other minister, to one Claude Giroux in Montreal that the said Giroux or his company, a subsidiary of Allied Artists Incorporated, would receive a $3 million grant when legislation was passed to subsidize the production of special feature films in Canada and, if so, has the Secretary of State recently been made aware of this undertaking, and has she or anyone on her behalf been in communication with the said Claude Giroux in this regard?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): The answer to this question is no.

DIRECT SHIPMENTS UNDER CANADA-WEST INDIES AGREEMENT

Question No. 1,840—**Mr. McCleave:**

Were any exemptions from article VII of the Canada-West Indies agreement of 1925 with regard to direct shipments, requested within the last 10 years and, if so, by whom and with what result?

[Miss LaMarsh.]

Hon. Mitchell Sharp (Minister of Finance): Article VII of the agreement provided for a direct shipment requirement for West Indian goods coming to Canada and permitted the West Indies to impose a similar requirement on Canadian goods going to the West Indies. None of the West Indian authorities have imposed this requirement on Canadian goods during the last 10 years.

The following exceptions have been made by Canada to the direct shipment requirement imposed under article VII of the Canada-West Indies trade agreement in the last 10 years:

(a) Order in council P.C. 1960-1044, July 30, 1960, permitted the transshipment at Cristobal in the Panama Canal zone of coffee, pimento, ground and unground ginger, lime juice, rum and tia maria, produced in Jamaica, without being subject to the higher most favoured nation rates of customs duty, provided such goods were shipped on a through bill of lading from Jamaica to a port in British Columbia and entered British Columbia by sea. (Requested by Jamaica).

(b) Order in council P.C. 1961-1675 of November 23, 1961, permitted transshipment of the goods listed in P.C. 1960-1044 at Cristobal or Curacao in the Dutch West Indies. (Requested by Jamaica).

(c) Order in council P.C. 1964-1759 of November 13, 1964, extended the privilege of transshipment at Cristobal or Curacao to all Jamaican goods. As provided for in the earlier orders, these goods had to be shipped on a through bill of lading from Jamaica to a port in British Columbia and enter British Columbia by sea. (Requested by Jamaica).

(d) Order in council P.C. 1963-62 of January 10, 1963, permitted the transshipment at Cristobal or Curacao of rum produced in British Guiana if this product was shipped on a through bill of lading from British Guiana to a port in British Columbia and entered British Columbia by sea. (Requested by British Guiana).

(e) The protocol to the 1925 trade agreement signed at the Commonwealth Caribbean-Canada conference in July 1966 provided for the waiving of the direct shipment requirements of article VII. This undertaking was implemented by Canada under order in council P.C. 1966-1419 of July 27, 1966, which permits goods grown, produced or manufactured in Antigua, the Bahamas, Barbados, Bermuda, British Honduras, Dominica, Gre-

nada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Trinidad and Tobago, Turks and Caicos Islands and Virgin islands, which are shipped on a through bill of lading to a consignee in a specified port in Canada to be transshipped without becoming subject to the higher most favoured nation rates of customs duty. (Requested by the Commonwealth Caribbean countries as a group).

WAGE RATES, CAPE BRETON HIGHLANDS NATIONAL PARK

Question No. 1,849—**Mr. Muir (Cape Breton North and Victoria):**

1. With reference to the 40-hour week, have the employees of the Cape Breton Highlands national park been brought under the legislation of the Canada Labour Standards Code and, if so, when did this action take place?

2. On what date did the employees of the Cape Breton Highlands national park last receive an increase in wages, and what was the amount of increase granted at that time?

3. Is it the intention of the government to give consideration to a further increase in wage rates at the aforementioned national park and, if so, how soon will such an increase take place?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Not yet; these employees will be brought under a 40-hour work week when this can be adopted without loss in their total gross weekly earnings.

2. April 1, 1965, 5-15 cents per hour.

3. Revised rate approved by TB 65F583, July 7, 1966, effective April 1, 1966. Now being promulgated.

PERMANENT HOMES IN NATIONAL PARKS

Question No. 1,851—**Mr. Diefenbaker:**

1. What declarations of policy have been made since the first of May, 1966, by the Department of Northern Affairs and National Resources in connection with the ownership of permanent homes and habitations within national park areas?

2. Is it the intention of the government to allow any further permanent homes to be built in national parks?

3. What are the plans regarding homes not located in any or all of the national parks?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. The policy on national parks was announced in the house on September 18, 1964 (*Hansard* pp. 8192-95) and was dealt with on several occasions in the house since that time, particularly on January 31, 1966 (*Hansard* pp. 481-2). Since May 1, 1966, as requested in the question, there has been no departure from the policy on residential leases in national parks, namely that future residential leases will restrict occupancy to those who need to live within a park to provide visitor services; leases will be for fixed terms but will provide for compensation for improvements at fair market value at expiry; in addition, the occupant will not be disturbed on termination of the lease unless the property is required for a definite park purpose; the leaseholder will not be able to assign or pass on his interest to third parties after he has received compensation for improvements; new leases, however, will not be granted for permanent summer cottages within national parks; the long-term objective is to gradually acquire all existing summer cottage sites.

2. Construction of homes for occupancy only by those who require to live in a national park to provide visitor services is being permitted.

3. It is not proposed to make any changes in the cases of existing residential leaseholders unless the leasehold property is required for park purposes or unless the lease comes up for assignment or renewal. New leases for previously unalienated lands or leases issued where assignments or renewals are involved will provide for compensation for improvements at fair market value on termination of the leases. The leases will also contain a clause restricting residence to those who have a need to reside in a park to provide visitor services or those who, on retirement, have been in continuous residence for at least five years immediately preceding retirement.

New leases for previously unalienated land will be for 42 years. The length of leases issued where assignments or renewals are involved, will depend upon the terms of the leases which they are replacing but in any case will not exceed 42 years.

PARKING ON PARLIAMENT HILL

Question No. 1,855—**Mr. Caouette:**

Has the federal government received a petition from members or employees of the House of Commons with regard to the latest decision about permits for parking on Parliament Hill and, if so, what was the exact purpose of this petition?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by all departments as follows: No.

Questions

MANUFACTURE OF DRUG LSD 25

Question No. 1,858—**Mr. Isabelle:**

1. Is LSD 25 legally manufactured in Canada?
2. If so (a) who are the manufacturing firms (b) to which countries is LSD 25 exported (c) does the food and drug directorate maintain a complete supervision of these exports and in what way?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. No. LSD-25 is imported into Canada by Sandoz (Canada) Ltd., Dorval, P.Q., and may be legally distributed for clinical research to institutions approved by the Minister of National Health and Welfare.

2. Not applicable.

[*English*]

MODERNIZATION OF RIDEAU CANAL SYSTEM

Question No. 1,864—**Mr. Bell (Carleton):**

1. Have plans been prepared for the modernization of the Rideau canal system?
2. If so, what in detail is their nature and to what stage have they proceeded?
3. When is it anticipated that work in each section of the system will (a) commence (b) be completed?
4. What action has been taken to preserve the historical and aesthetic aspects of the canal system?
5. Have consultations been held with the government of Ontario to enlist its co-operation?
6. If so, of what nature have the consultations been with what result?
7. Have consultations been held with the municipalities on the canal system to enlist their co-operation?
8. If so, of what nature have the consultations been, with what municipalities and with what results?
9. If the answer to part 5 or 7 is negative, will such consultations be considered?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The Department of Transport five year forecast on capital expenditure includes proposals for restoration and improvement of certain locks on the Rideau canal to cover required repairs and increased and better facilities for the boating public. Longer term priorities for restoration of locks have been tentatively established.

2. In planning of lock renovation and restoration, provision may be made for the installation of power actuators for the gates and valves to replace the dangerous open gear type manual equipment. Other facilities relate to water supplies, sanitary services, wharf approaches and tie-ups, etc.

[Miss LaMarsh.]

3. (a) and (b) Work is of a continuing nature and will depend on the amount of funds available from year to year.

4. Departmental guide lines require consultation with the historic sites division of the Department of Northern Affairs and National Resources concerning structures. New work at single lock stations must harmonize, as much as possible, with the original structure and maintain traditional appearances. Structures having historic value are retained wherever possible and may be subject to restoration.

5. Yes.

6. The purpose of the consultations has been to investigate the possibility of co-ordinating the activities of the two governments in the area. The consultations are continuing.

7. Not yet.

8. Not applicable.

9. The Department of Transport proposes to have consultations with representatives of the various municipalities along the canal later this year.

CANADIAN FISH CONSUMPTION

Question No. 1,865—**Mr. Mather:**

1. What, in tons, was the weight of fish consumed in Canada in 1965?
2. Of that amount, what was the weight of fish eaten by human beings and what was the weight of fish consumed by poultry, pets, etc?
3. What were the comparative figures for 1960?

Hon. Robert Winters (Minister of Trade and Commerce): There are no statistics available on the total consumption of fish in Canada. The latest estimate of fish consumption (edible weight) by human beings is for the year 1963 and amounted to 137,127 tons. The comparable figures for 1960 were 112,711 tons. Fish and fish products used in the manufacture of foods for domestic animals, including pets, amounted to 49,823 tons in 1963 and 38,144 tons in 1960. Many of these foods contain not only fish but also animal and grain products and as substantial quantities are exported, it is not possible to determine what portion of the fish and fish products used is retained for domestic consumption.

STRATEGIC MATERIALS SUPPLIED FOR U.S. USE IN VIET NAM

Question No. 1,866—**Mr. Mather:**

Are any strategic materials (explosives, bullets, aircraft parts, etc.) being supplied from Canada to the United States for use in Viet Nam and, if so, what are they?

Hon. C. M. Drury (Minister of Industry): Under the Canada-U.S. defence production sharing arrangements, Canada procures a substantial amount of U.S. military equipment for use by the Canadian armed forces, and Canadian industry is given the opportunity to bid on a wide variety of defence equipment for the U.S. armed forces.

The value of such U.S. defence contracts for Canadian research, development and production including, for example, aircraft, electronics, spare parts and weapon components has amounted to over $1.3 billion since the beginning of the program in 1959. On delivery to the U.S. forces, these items become U.S. government property and their subsequent use is controlled by the U.S. government. No military equipment is delivered by Canadian suppliers to any destination in Viet Nam. It is government policy not to grant export permits for shipment of military equipment to Viet Nam.

SPECIAL CARS, C.N.R.

Question No. 1,867—**Mr. Godin:**

1. Do any officials of the Canadian National Railways have the use of a special car?

2. If so (a) how many (b) what is the cost of such a special car (c) what is the annual cost to the C.N.R. for the maintenance of all such special cars?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1 and 2. Canadian National Railways operates 69 units of various types of equipment for its business, operational and technical requirements. Included besides business car units, are cars for rule instruction, signal instruction, medical services, dental services, vision testing, track inspection, data processing, first aid. These cars have passenger accommodations and are used by officers and employees in the course of their duties.

Sixteen of these cars were built prior to 1900 and have a total capital book value at at December 31st, 1965, of $291,138; 42 were built between 1900 and 1929 and have a total capital book value as at December 31st, 1965, of $734,798; 11 were built since 1930 and have a total capital book value as at December 31st, 1965, of $1,461,647.

The average cost of repairs per car varies between $4,000 and $18,000 per annum in accordance with the age and use of the equipment.

Questions

SALARIES OF C.N.R. EMPLOYEES

Question No. 1,868—**Mr. Godin:**

How many employees of the Canadian National Railways earn an annual salary of (a) $4,000 to $6,000 (b) $6,000 to $8,000 (c) $8,000 to $10,000 (d) $10,000 to $15,000 (e) $15,000 to $25,000 (f) over $25,000?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: It has not been considered in the best interest of the company to disclose data on employees' earnings in the manner requested. Details on annual earnings for 1965 of various occupational groups of C.N.R. employees, however, are available from the Dominion Bureau of Statistics' publication "Railway Transport 1965, Part 4, (Employment Statistics)" issued in September, 1966.

WORK HOURS OF RAILWAY STATION AGENTS

Question No. 1,869—**Mr. Godin:**

How many hours a week must the agent in charge of a station doing $50,000 worth of business a year, work to maintain that standard with the (a) C.N.R. (b) C.P.R.?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of Transport is concerned: (a) The management of Canadian National Railways advises as follows: Canadian National station agents work a standard week of 40 hours and are paid on a salary basis.

In so far as the Department of Labour is concerned: (b) Station agents for both the C.N.R. and C.P.R. work a 40-hour week. The federal government does not have statistics on the amount of business they do.

STATUS OF C.N.R. EMPLOYEES

Question No. 1,870—**Mr. Godin:**

How many employees of the Canadian National Railways are (a) permanent (b) temporary?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: Total number of employees: 93,438. There is no immediate breakdown of the categories, permanent and temporary, but those in the temporary category, or classified as probationary, would be in the vicinity of five thousand.

Questions

CONSTRUCTION OF HOUSES AND APARTMENTS

Question No. 1,872—**Mr. Orlikow:**

1. How many houses were begun in 1966 by builders in urban centres to August 31 of this year and, of this number, how many were begun in Halifax, Montreal, Toronto, Hamilton, Winnipeg, Regina, Calgary, Edmonton and Vancouver?

2. How many houses were begun by builders in the year 1965, and of these how many were begun in each of the cities listed above?

3. How many apartment units were begun in 1966 by builders in urban centres to August 31 of this year and, of this number, how many were begun in Halifax, Montreal, Toronto, Hamilton, Winnipeg, Regina, Calgary, Edmonton, and Vancouver?

4. How many apartment units were begun by builders in the year 1965, and of these how many were begun in each of the cities listed above?

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

DWELLING STARTS, BY TYPE, IN SELECTED METROPOLITAN AND MAJOR URBAN AREAS
January 1965–July 1966
(Dwelling Units)

Area	1965					1966 (January-July*)				
	Single-Detached	Semi-Detached and Duplex	Row	Apartment	Total	Single-Detached	Semi-Detached and Duplex	Row	Apartment	Total
METROPOLITAN AREAS:										
Halifax	422	160	3	1,070	1,655	233	46	34	248	561
Montreal	6,371	1,383	178	21,250	29,182	2,871	422	35	8,189	11,517
Toronto	7,101	1,985	2,289	21,131	32,506	3,816	800	581	7,942	13,139
Hamilton	2,056	40	126	2,297	4,519	1,051	70	210	1,242	2,573
Winnipeg	1,849	220	69	1,760	3,898	582	64	11	612	1,269
Calgary	2,335	366	—	1,477	4,178	933	134	—	745	1,812
Edmonton	2,776	88	72	1,645	4,581	817	38	—	849	1,704
Vancouver	3,923	172	3	7,586	11,684	2,442	92	—	2,722	5,256
MAJOR URBAN AREA:										
Regina	1,055	120	27	486	1,688	345	40	—	185	570
CANADA (Centres 5,000 population and over)	51,006	6,954	4,954	75,865	138,779	23,234	2,935	2,242	28,740	57,151

*Data for August 1966 not yet available.

Questions

WOMEN AND MEN IN LABOUR FORCE

Question No. 1,873—**Mr. Mather:**

1. What was the number of women in the Canadian labour force in 1956 and 1966?

2. What was the percentage increase in their employment numbers during that period?

3. What was the number of men in the Canadian labour force in 1956 and 1966?

4. What was the percentage increase in their employment numbers during that period?

5. What is the projected increase in the number of women employed during the next 10 years?

6. What is the projected increase in the number of men employed during the same period?

7. What is the percentage of women now in the Canadian labour force?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Number of women in the Canadian labour force: 12 month average, Aug. 1955, July 1956, 1,312,000, of whom 1,284,000 were employed. 12 month average, Aug. 1965, July 1966, 2,154,000, of whom 2,101,000 were employed.

2. Percentage increase 1956, 1966 in: Women in labour force, 64.2. Employed women, 63.6.

3. Number of men in the Canadian labour force: 12 month average, Aug. 1955, July 1956, 4,392,000, of whom 4,212,000 were employed. 12 month average, Aug. 1965, July 1966, 5,138,000, of whom 4,932,000 were employed.

4. Percentage increase 1956, 1966 in: Men in labour force, 17.0. Employed men, 17.1.

5. and 6. Information requested is not available in the Dominion Bureau of Statistics. However, the Economic Council of Canada, staff study Number 1, entitled "Population and Labour Force Projections to 1970" published in December 1964, gives the following projection for the year 1970: Number of civilian women in labour force, 2,528,000. Number of civilian men in labour force, 5,599,000.

7. Percentage of women in the Canadian labour force: 12 month average, Aug. 1965, July 1966, 32.0.

ADVICE TO YUGOSLAV PURCHASING AGENCY

Question No. 1,874—**Mr. Macquarrie:**

1. Did any department or departments of the government advise members of the Yugoslav agricultural purchasing agency in drawing up their itinerary of visits in Canada and, if so, which ones?

2. What centres in the Atlantic provinces did the group visit?

3. Did any department of government suggest any Atlantic province centres for such visits?

Hon. J. J. Greene (Minister of Agriculture): 1. Yes. The itinerary, which was based upon the prior request of the Yugoslav delegation, was developed by the Departments of Agriculture and Trade and Commerce.

2. None.

3. No.

[Mr. Nicholson.]

*ARDA—CHANGE IN ATLANTIC HEADQUARTERS

Question No. 1,876—**Mr. Coates:**

1. On what date will the Minister of Forestry meet with a delegation from the town of Amherst in connection with the proposed change from Amherst to Moncton of the regional headquarters for the Atlantic region of ARDA?

2. Will the Minister of Forestry give the assurance that no action will be taken on the proposed move of the ARDA regional headquarters at Amherst until the proposed meeting with officials of the town of Amherst has been held?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): The answer to parts 1 and 2 of the question is the following: A meeting was held on September 9, 1966.

[*English*]

UNEMPLOYMENT INSURANCE COMMISSION—TRANSFER OF EMPLOYEES TO MONCTON, N.B.

Question No. 1,877—**Mr. Coates:**

1. How many employees will be transferred from Springhill and Amherst, Nova Scotia, to Moncton, New Brunswick, who are presently employees of the Unemployment Insurance Commission?

2. On what date will these employees be transferred to Moncton and what will be the annual loss of income from salary at both Amherst and Springhill as a result of the transfers?

3. For what reason are employees of the Unemployment Insurance Commission being transferred from Springhill and Amherst to Moncton?

Hon. J. R. Nicholson (Minister of Labour): I am advised by the Unemployment Insurance Commission as follows:

1. Two employees will transfer from Springhill to Moncton. No decision has yet been taken concerning the transfer of employees from Amherst.

2. No definite date has yet been decided for the transfer of the two employees to Moncton. The annual salary of two employees at Springhill transferring to Moncton amounts to $9,539.

3. These transfers are part of a national reorganization of the Unemployment Insurance Commission following a survey and study of its organization structure by the management analysis division of the Civil Service Commission.

The commission, in line with the recommendations made by the royal commission on

government organization, has in recent years reviewed its procedures and methods of operation in order to curtail as much as possible the costs of operation.

One of the objectives of this reorganization is to provide its employees with improved working conditions and greater opportunities for careers within the commission.

CORRIDOR ROAD THROUGH STATE OF MAINE

Question No. 1,878—**Mr. Coates:**

Have discussions been carried out by the Government of Canada, or any of its agencies, with the government of the United States, or any of its agencies, regarding the construction of a corridor road between the provinces of New Brunswick and Quebec which would pass through the state of Maine?

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

PAYROLL AT MMRA AND ARDA OFFICE, AMHERST, N.S.

Question No. 1,880—**Mr. Coates:**

What was the annual payroll of the MMRA and ARDA office at Amherst, Nova Scotia, and operations connected with that office for the years 1960, 1961, 1962, 1963, 1964, 1965, and for the six-month period from January 1, 1966, to June 30, 1966?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): (a)

Fiscal Year	Annual Payroll
1959-60	$ 219,930
1960-61	207,563
1961-62	179,886
1962-63	170,342
1963-64	147,650
1964-65	152,432
1965-66	170,754
April 1, 1966 to June 30, 1966	63,932

(b) Other operations (Overhead and maintenance, excluding repairs and upkeep of works)*.

Fiscal Year	Amount
1959-60	$ 146,615
1960-61	122,889
1961-62	108,975
1962-63	74,720
1963-64	62,652
1964-65	66,488
1965-66	74,083
April 1, 1966 to June 30, 1966	13,527

*Note: The cost of "other operations" is applicable to other locations as well as Amherst. The cost records were not kept in such a manner that costs applicable to Amherst can be readily obtained.

AVERAGE SALARIES OF C.N.R. EMPLOYEES

Question No. 1,881—**Mr. Godin:**

What is the average annual salary of an employee of the Canadian National Railways having five years service and who is classified as (a) railway employee (b) engineer (c) conductor (d) inspector?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: A record of annual salaries related to years of service is not maintained by the company. Data on average annual earnings of Canadian National employees in various occupational groups for the year 1965 may be found in the Dominion Bureau of Statistics' publication "Railway Transport 1965, Part 4 (Employment Statistics)" issued in September, 1966.

TRANSSHIPMENT OF SALMON SPAWN TO NEWFOUNDLAND

Question No. 1,882—**Mr. Tucker:**

Did the Department of Fisheries transship salmon spawn during the last two years from the Pacific coast to the province of Newfoundland and, if so, was the experiment successful?

Hon. H. J. Robichaud (Minister of Fisheries): Yes. Results of pink salmon transplant experiments are still inconclusive as to success or failure.

PROVINCIAL BORROWINGS FROM BANK OF CANADA

Question No. 1,883—**Mr. Caouette:**

1. Are the provinces allowed to borrow from the Bank of Canada without having to pay interest?

2. If so (a) under what authority (b) which provinces took advantage of this (c) what amounts did they borrow and on what dates (d) under what terms?

Hon. Mitchell Sharp (Minister of Finance): 1. No. The sections of the Bank of Canada Act which relate to loans or advances to provinces read as follows:

"18. (1) The Bank may

(i) make loans or advances for periods not exceeding six months to the government of Canada or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province;

(j) make loans to the government of Canada or the government of any province, but such loans outstanding at any one time shall not, in the case of the Government of Canada, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year;

and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;

18. (3) The bank shall at all times make public the minimum rate at which it is prepared to make loans or advances."

2. Not applicable.

REPRESENTATIONS BY SHIP PILOTS, KINGSTON DISTRICT

Question No. 1,885—**Mr. Caouette:**

1. Has the Minister of Transport made a commitment to the Kingston district pilots to take the necessary steps so that the latter would no longer be required to pilot ships on Lake Ontario and, if so (a) how (b) when?

2. What steps were taken by the government to deal with representations made by ship pilots from the district of Kingston?

3. Was there any exchange of correspondence on this subject between the United States authorities and the Department of Transport since March 30 last?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Indications given by previous ministers that it would be desirable to achieve a situation in which river pilots would no longer be required to take trips on lake Ontario were confirmed earlier in 1966 by the present Minister of Transport, who agreed that they should not be regularly assigned to such trips.

2. The number of pilots for lake work was increased.

3. Yes, resulting in step mentioned in 2 above, so that only in exceptional circumstances is a Canadian river pilot requested to make a translake trip.

EXPENSE ACCOUNTS, NON-UNION C.N.R. EMPLOYEES

Question No. 1,886—**Mr. Godin:**

Were any non-union employees of the Canadian National Railways granted expense accounts by the company for the year 1965 and, if so, how many?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: All legitimate out of pocket expenses incurred by any employee in connection with the business of the company are reimbursable without regard for the union or non-union status of the employee.

[Mr. Sharp.]

AMOUNT OF EXPENSE ACCOUNTS, NON-UNION C.N.R. EMPLOYEES

Question No. 1,887—**Mr. Godin:**

What was the total amount of expenses claimed through the expense accounts granted by the Canadian National Railways to its non-union employees for the year 1965?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: The company does not differentiate between expenses claimed by union and non-union employees. No record is kept of amounts that may have been paid to non-union employees only.

APPLICATION FOR LOBSTER FISHING LICENCE, THEODORE LEGER

Question No. 1,888—**Mr. Coates:**

1. Was an application for a lobster fishing licence received by the Department of Fisheries by the customs office of the Department of National Revenue at Moncton, New Brunswick, and/or by the Department of Fisheries office at Halifax, Nova Scotia, and (a) if so, was Mr. Leger granted a licence (b) if not, for what reason?

2. Had Theodore Leger secured a lobster fishing licence for the year 1966?

Hon. H. J. Robichaud (Minister of Fisheries): 1. An application was received by the local fishery officer: (a) Yes. (b) Not applicable.

2. Yes.

JOB ANALYSIS, ARMED FORCES

Question No. 1,890—**Mr. Pascoe:**

Is Canadian Forces headquarters carrying out a program of job analysis throughout the services and, if so, (a) when was the program initiated and what length of time will be required for its completion (b) what is the purpose of the job analysis and how will personnel be affected?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes. (a) The program was initiated 31 January, 1966, and is expected to be completed by the end of 1969. (b) The purpose is to validate trade specifications and to ensure that armed forces personnel will receive training consistent with the work to be performed.

COST OF REFIT OF H.M.C.S. "BONAVENTURE"

Question No. 1,903—**Mr. Forrestall:**

Has there been any revision in the projected cost of the half-life overhaul and refit of H.M.C.S. *Bonaventure* since July 15, 1966?

Hon. C. M. Drury (Minister of Industry): To date, there has been no revision in the projected cost of the half-life overhaul and refit of H.M.C.S. *Bonaventure* since July 15, 1966.

NORTHERN TRANSPORTATION CO. EMPLOYEES, TUKTOYAKTUK

Question No. 1,914—**Mr. Dinsdale:**

1. What is the total number of employees working for the Northern Transportation Company at Tuktoyaktuk?

2. How many of these were hired locally?

3. What is the employment policy of Northern Transportation in the north?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): I am informed by the Northern Transportation Company Limited as follows: 1. 164.

2. 32.

3. To hire as many local residents as possible.

WAR ON POVERTY

Question No. 1,918—**Mr. Choquette:**

1. Does the government intend to publish a white paper on the war on poverty?

2. Is it the intention of the government to call a federal-provincial conference on the war on poverty?

3. Are any federal departments directly involved in the war on poverty and if so (a) which ones (b) is there liaison between them?

4. Is the government considering the creation of a special fund for the war on poverty?

5. Since the war on poverty plan was launched in April, 1965, what particular objectives, legislative and governmental, are considered to have been reached?

6. Does the government consult with the government of the United States on the war on poverty?

7. Is the government involved in any plans with the provinces in the war on poverty?

8. Does the government intend to seek the formation of a federal-provincial organization to conduct the war on poverty?

9. Is the government attempting to enlist the support of private industry in the war on poverty and, if so, what efforts have been made in this direction?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. The special planning secretariat has published a Profile of Poverty in Canada and numerous other publications related to the war on poverty. A white paper is not envisaged.

2. There is no present intention to call a general federal-provincial conference on anti-poverty programs; federal-provincial meetings frequently take place among federal and provincial officials concerned with specific programs.

3. Many federal departments and agencies are involved, notably ARDA, CMHC, Fisheries, Health and Welfare, Indian Affairs, Industry, Manpower, Northern Affairs. There is continuing liaison among them directly, and with the Special Planning Secretariat.

4. Funds for the many anti-poverty programs administered by federal agencies are contained in the departmental appropriations concerned; there is no intention of centralizing either the programs or the funds for them.

5. Many work and opportunity programs have been initiated or developed since April 1965. Amongst the major ones are the Company of Young Canadians, area development program, labour mobility program, pilot training projects, Canada Assistance Plan, fund for rural economic development, housing for Indians and Eskimos.

6. The administration receives reports on similar American programs and exchanges views with American officials from time to time.

7. Federal agencies are in continuing liaison with provincial authorities in the development of work and opportunity programs.

8. No.

9. Yes. It is providing information to the Canadian public on the nature and problems of poverty, its consequences and anti-poverty measures. Consideration is being given to more direct forms of collaboration with non-government interests.

EXPENSES OF RAND COMMISSION INQUIRY

Question No. 1,919—**Mr. Bell (Carleton):**

1. What has been the cost of the enquiry conconducted by Hon. Ivan C. Rand into the conduct of Mr. Justice Leo A. Landreville?

2. Of this amount, how much has been paid to (a) the commissioner (b) counsel, naming them?

3. Is it anticipated that further expenditures will be incurred by this commission?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the royal commission as follows: 1. Total cost as of August 31, 1966, is $51,314.06.

2. (a) Hon. I. C. Rand, commissioner, was paid an honorarium of $24,100 plus a living allowance of $3,975. (b) W. G. Morrow, commission counsel, was paid an honorarium of $9,647.50 plus a living allowance of $850.

3. No further expenditures are anticipated.

Questions

*REPORTED STATEMENT BY PRIME MINISTER ON TWO LANGUAGES

Question No. 1,923—**Mr. Cowan:**

1. Did the Prime Minister of Canada, on July 17, 1966, addressing the Canadian committee celebrations at Elk Island national park, Alberta, refer to "the two official languages" and go on to say that "they were recognized officially in the act of Confederation itself"?

2. If so (a) what is the authority for the above statement (b) to what extent by way of judicial decisions has this policy been applied?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): The answer to the first part of the question is yes. The answer to the second part is: (a) Section 133 of the British North America Act, and (b) a search of the constitutional case lists did not reveal any cases in which section 133 of the British North America Act received a judicial interpretation.

*ADMISSION OF SPONSORED IMMIGRANTS

Question No. 1,924—**Mr. Bell (Carleton):**

1. Has any action been taken by the government to promulgate revised regulations governing the admission of persons sponsored by relatives in Canada and, if so, what action?

2. When is it anticipated such revised regulations will become effective?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): The answer to the first part of the question is no. The answer to the second part is, after parliament has considered the white paper explaining the principles proposed for revised regulations.

PERSONS IN PRISONS CONDEMNED TO DEATH

Question No. 1,929—**Mr. Godin:**

1. Are there any persons, at the present time, considered by the Department of Justice as "condemned to death" and being held in Canadian prisons?

2. If so (a) what is the number, by province (b) on what date is each such person expected to be executed?

[*Translation*]

Hon. Lucien Cardin (Minister of Justice): 1. Yes.

2. As of September 6, 1966 the answers are: (a) Quebec 9. (b) The dates presently set by the Courts for execution are: September 23, 1966 (1 person); September 30, 1966 (3 persons); October 14, 1966 (1 person); December 9, 1966 (1 person); December 16, 1966 (2 persons); January 13, 1967 (1 person); British Columbia 2, October 11, 1966 (2 persons); Ontario 1, October 3, 1966 (1 person).

[*English*]

REBROADCASTING STATIONS

Question No. 1,930—**Mr. McIntosh:**

1. How many rebroadcasting stations (French and English) have been granted licences in the past four years?

2. What is the total annual cost involved in operating each station?

3. Where are these stations located?

4. What was the installation cost for each station?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. From April 1, 1962, to March 31, 1966, 121 (25 French and 96 English).

2. Information on the financial operation of commercial broadcasting stations has always been treated as confidential by the Department of Transport.

3. Location of stations by province:

British Columbia	52
Saskatchewan	6
Alberta	6
Manitoba	3
Ontario	11
Quebec	30
Nova Scotia	6
New Brunswick	1
Newfoundland	6

4. Installation costs are part of the information contained in applications proposing the establishment of broadcasting stations. Applications are considered by the Board of Broadcast Governors at public hearings and are made available by the board, for inspection, following its announcement of the agenda for the public hearing concerned.

PRODUCTION OF SCHOOL BUSES

Question No. 1,931—**Mr. Godin:**

1. What was the number of buses built in Canada in 1964 for the purpose of transporting school children?

2. Are these buses subject to the 11 per cent federal sales tax and, if so, what amount was collected by the federal government in 1964?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and National Revenue as follows: 1. Information is not available on the number of buses built in Canada for the purpose of transporting school children.

It has been estimated, however, that 3,040 bus bodies (all types) were manufactured in

1964, to be attached to chassis purchased from motor vehicle manufacturers, but there is no way of identifying the number intended for use as school buses.

2. Yes. The amount collected in 1964 is not available as separate statistics are not maintained of sales tax collected on individual commodities.

OLD AGE SECURITY FUND

Question No. 1,932—**Mr. Winkler:**

In accordance with the answers of May 16 and June 13, 1966, has the amount of money available in the federal old age security fund changed significantly and, if so, are the moneys in this fund greater than the amounts mentioned on either of the above dates?

Hon. Mitchell Sharp (Minister of Finance): The balance at the credit of the old age security fund has increased since December 31, 1965, and March 31, 1966. As at August 31, 1966 it amounted to $325,644,875.74.

REPLACEMENT OF RETURNING OFFICERS

Question No. 1,933—**Mr. Allard:**

1. Has the government or its representatives or any of its organizations replaced the returning officers in the 264 electoral ridings in Canada, under the new electoral map?

2. If so, in which ridings have the returning officers been replaced or will they soon be replaced?

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes.

2. As of September 29, 1966

Ontario: Algoma, Cochrane, Fort William, Glengarry-Prescott, Grenville-Carleton, Halton-Wentworth, Hamilton East, Hamilton Mountain, Hamilton-Wentworth, Hastings, Kitchener, Lambton-Kent, Lincoln, London East, London West, Middlesex, Nickel Belt, Nipissing, Norfolk-Haldimand, Ottawa West, Prince Edward-Hastings, Renfrew North, Sarnia, St. Catharines, Timiskaming, Welland, Wellington, Windsor West, York-Simcoe, Don Valley, Greenwood, Rosedale, Scarborough East;

Quebec: Beauce, Bellechasse, Berthier, Chambly, Champlain, Gaspé, Joliette, Kamouraska, Labelle, Lac-Saint-Jean, Langelier, Lapointe, Laprairie, Lévis, Longueuil, Lotbinière, Louis-Hébert, Missisquoi, Montmorency, Portneuf, Quebec East, Richelieu, Richmond, Rimouski, Saint-Jean, Saint-Maurice, Sherbrooke, Terrebonne, Ahuntsic, Bourassa, Dollard, Duvernay, Gamelin, Hochelaga, Lachine, Lafontaine, LaSalle, Laurier, Laval, Maisonneuve, Mercier, Saint-Henri, Sainte-Marie, Saint-Michel, Vaudreuil, Westmount;

Nova Scotia: Annapolis Valley, Cape Breton, Central Nova, Dartmouth-Halifax East, Halifax East, Hants, South Shore, South Western Nova;

New Brunswick: Fundy-Royal, Gloucester, Madawaska-Victoria, Moncton, Restigouche, Saint John-Lancaster, Westmorland-Kent, York-Sunbury;

Newfoundland: Bonavista-Trinity-Conception, Gander-Twillingate;

Prince Edward Island: Cardigan, Egmont, Hillsborough, Malpeque;

Manitoba: Brandon-Souris, Churchill, Dauphin, Lisgar, Portage, St. Boniface, Selkirk, Winnipeg North, Winnipeg North Centre, Winnipeg South;

British Columbia: Vancouver Quadra;

Saskatchewan: Assiniboia, Battleford, Meadow Lake, Moose Jaw; Qu'Appelle-Moose Mountain, Regina-Lake Centre, Saskatoon-Humboldt;

Alberta: Calgary Centre, Calgary North, Edmonton Centre, Edmonton East, Edmonton-Strathcona-Edmonton West, Lethbridge, Medicine Hat, Wetaskiwin.

REPLACEMENT OF RETURNING OFFICER, SHERBROOKE CONSTITUENCY

Question No. 1,934—**Mr. Allard:**

1. Was Mr. J. Nestor Boucher replaced as returning officer in the electoral riding of Sherbrooke?

2. If so (a) for what reason (b) was he replaced by Mr. Denis Proteau?

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes.

2. (a) Upon the passage of the Electoral Boundaries Readjustment Act, new appointments were required. (b) Yes.

APPOINTMENT OF RETURNING OFFICER, SHERBROOKE CONSTITUENCY

Question No. 1,935—**Mr. Allard:**

Was Mr. Denis Proteau appointed as returning officer in the electoral riding of Sherbrooke and, if so, which person or organization recommended his appointment?

Hon. Judy V. LaMarsh (Secretary of State): Yes, following a canvass of the constituency for a suitably qualified person.

Questions

*CLASS 21499, EXPORT COMMODITY CLASSIFICATION

Question No. 1,936—**Mr. Rynard:**

1. What commodities are included in class 21499 of the export commodity classification?

2. What was the total value of exports in this class to each country in 1965?

3. What figures are available showing, in part or in whole, the value of individual items in this class exported to any or all the countries concerned?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, in reply to the hon. member's question, I am advised that the following commodities are included in class 21499 of the Export Commodity Classification: Allibore, not ground or pulverulent; Cascara Sagrada; Juniper berries; Digitalis, seeds or leaves; Ergot; Hellebore, not ground or pulverulent; Medicinal herbs, n.o.p., Lycodium, crude or pulverulent; Lycopodium, crude or pulverulent; Papain, crude; Quassia (chips); Ginseng roots; Hydrastis roots; Gombo seeds; Psyllium (Fleaseed); Senaga-root.

In reply to the second part of the hon. member's question, the total value of exports in this class to each country is as follows:

Country	Value
United Kingdom	$ 12,700
France	500
West Germany	1,840
Hong Kong	373,317
Chile	1,039
Equator	238
Trinidad-Tobago	139
Cuba	9,354
El Salvador	1,803
Mexico	126
United States	140,015
for a total of	$ 541,071

Unfortunately, there are no figures available showing, in part or in whole, the value of individual items in this class exported to any or all the countries concerned.

[*English*]

PLANS FOR FEDERAL BUILDING, AMHERST, N.S.

Question No. 1,937—**Mr. Coates:**

1. What is the name of the firm of architects appointed by the government on December 13, 1965, to produce the plans for a new federal building at Amherst, Nova Scotia?

[Miss LaMarsh.]

2. Has the government amended its instructions to this firm of architects with regard to the size of the federal building that is to be constructed?

3. What are the names of the landowners from whom the government has purchased land to be used as the site for the new federal building, and how much did each receive from the government for the lands in question?

Hon. G. J. McIlraith (Minister of Public Works): 1. The firm of architects appointed was C. A. Fowler and Company, now known as C. A. Fowler, Bauld and Mitchell, Halifax, N.S.

2. No.

3. The land purchases have not been completed and the final settlement has not yet been determined.

FERRY OPERATION BETWEEN P.E.I. AND N.B.

Question No. 1,938—**Mr. McQuaid:**

1. Has the government under active consideration the transfer from the C.N.R. to the Department of Transport of the operation of the ferries running between Borden P.E.I. and Cape Tormentine, N.B.?

2. Have representations been recently received from the government of Prince Edward Island to have this transfer made?

3. Have any other groups made similar representations?

4. If representations have been made, how soon may action on these representations be expected?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. A suggestion to this effect has been received from the government of Prince Edward Island and is being given consideration.

2. Yes.

3. Yes

4. It is difficult to estimate.

LEGISLATION ON HATE LITERATURE

Question No. 1,943—**Mr. Irvine:**

1. As a result of the recent report on hate literature, is it the intention of the government to bring legislation before the house controlling the dissemination of this type of material?

2. If so, when, and what details are in the planning stage?

Hon. Lucien Cardin (Minister of Justice): 1 and 2. The report on hate literature is still under study by the government and government policy will be announced as soon as possible.

FEDERAL CATTLE ON FARM OF GEORGE BROWN, PAKENHAM, ONT.

Question No. 1,945—**Mr. Horner (Acadia):**

1. Are any cattle on George D. Brown's farm at Pakenham, Ontario, being used for government tests and, if so (a) what is the nature of the experiment (b) for how many years will this program be continued (c) what is the government attempting to accomplish by it?

2. Was the average cost for wintering these cattle $92 per head and, if so, for what reason?

3. Is George D. Brown a salaried employee of the federal government and, if not, what remuneration does he receive for this labour in looking after federal government cattle?

Hon. J. J. Greene (Minister of Agriculture): 1. Yes. (a) This is an experiment whereby grade Holstein cows are bred to beef bulls. All the calves are either sold as feeders or fed through to market weights. The milk not marketed through the calves is sold for manufacturing purposes. (b) This program was commenced by contract dated January 4, 1965, which covers a three year period. (c) To investigate, under supervision of the Department of Agriculture, the place of a dairy cow-beef calf enterprise in eastern Canada, and to gather factual data on such an operation.

2. Yes. Due to drought conditions in the Ottawa valley, it was necessary for the operator to use large amounts of purchased hay. In this type of enterprise it takes about 2½ tons of hay to carry a cow through the winter.

3. No. Mr. Brown's contract with the department calls for payment of $18,000 for the first year and $14,000 for each of the second and third years. The contract provides that the contractor assumes responsibility for all costs associated with the feeding, maintenance, accommodation and management of the herd.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REPRESENTATION RESPECTING MOTOR CAR SAFETY SPECIFICATIONS

Question No. 1,465—**Mr. Scott (Danforth):**

1. Has the government or any of its agencies received representations from the automotive manufacturers, or anyone on their behalf, with regard to the question of safety specifications of motor vehicles?

2. If so (a) how many government departments received representations and what were the names of such departments (b) who made such representations and what, in reasonable detail, were the form and substance either written or verbal of such representations including the identification of the persons making them (c) in reasonable detail, what was the nature of the government's response, if any, to such representations?

Return tabled.

POLITICAL ACTIVITY OF CROWN CORPORATION EMPLOYEES

Question No. 1,487—**Mr. Caouette:**

1. In which crown corporations or other government bodies are part or all of the employees not subject to the Civil Service Act?

2. What is the general policy of each of these crown corporations or bodies concerning the right of their employees to participate in any kind of political activity?

3. What is the provision of the law or regulations on this subject which applies to these corporations or bodies?

4. What sanctions are provided in each case for employees who fail to comply with these regulations?

5. In each case, how many times (a) have these sanctions been applied (b) have cases been tried?

Return tabled.

FEDERAL EXPENDITURES IN LONDON, ONT.

Question No. 1,712—**Mr. Irvine:**

What amount was spent by various departments and government agencies for the purchase of various supplies, services and equipment firms and individuals in the city of London during each of the years 1963, 1964 and 1965, by department and agencies respectively?

Return tabled.

DIPLOMATIC REPRESENTATIVES ABROAD

Question No. 1,736—**Mr. Dionne:**

How many high commissioners, ambassadors and employees are there in the different offices maintained by the Canadian government abroad, and what is the salary of each?

Return tabled.

*BOOKS PUBLISHED BY C.B.C.

Question No. 1,766—**Mr. Irvine:**

Has the Canadian Broadcasting Corporation published any books authorized for sale to the general public and, if so, (a) what are the names of each of the books and the respective authors (b) at what price was each of them offered to the public (c) up to June 15, 1966, how many copies of each had been sold (d) what was the cost of publication of each (e) what was the profit and/or loss, if any, in respect of each publication to June 15, 1966?

Return tabled.

Orders for Returns

FORMER JOURNALISTS NOW ASSISTANTS TO MINISTERS

Question No. 1,806—**Mr. Macquarrie:**

1. How many special assistants, executive assistants, assistants, private secretaries or associate private secretaries to cabinet ministers were professional journalists prior to their appointments?

2. What are the names of such people and in what cabinet ministers' offices are they now working?

3. How many persons in the above categories were employed in the field of public relations prior to their appointments to their present positions?

4. What are the names and in which minister's offices are they currently employed?

Return tabled.

FEDERAL CONTRIBUTIONS UNDER UNEMPLOYMENT ASSISTANCE ACT

Question No. 1,859—**Mr. Caouette:**

From January 1 to September 30 of each of the years 1960, 1961, 1962, 1963, 1964 and 1965, how much has the federal government given to each province under the Unemployment Assistance Act?

Return tabled.

CIVIL SERVICE COMPETITION 66-3662, FREDERICTON, N.B.

Question No. 1,889—**Mr. MacRae:**

1. Was civil service competition No. 66-3662 for field officers and field office managers, Department of National Health and Welfare, recently conducted in Fredericton?

2. If so (a) who were the applicants that were interviewed (b) in what order were the applicants rated by the examining board (c) which applicant was offered the position (d) what were his or her qualifications for the position?

3. Has a protest been received from Mr. R. C. Rickard, 307 Dayton Court, Fredericton, New Brunswick, in connection with this position and, if so, what answer has been given to Mr. Rickard?

Return tabled.

TELEVISION PROGRAM "VIEWPOINT"

Question No. 1,944—**Mr. Brand:**

1. What persons have appeared on the program "Viewpoint" in the calendar years 1964, 1965 and 1966 to date?

2. How many times has each such person appeared on the program "Viewpoint" in each of the calendar years in question?

Return tabled.

[Mr. Irvine.]

• (2:50 p.m.)

INDUSTRY

CANADA-U.S. AUTOMOBILE AGREEMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Reid Scott (Danforth): Mr. Speaker, I rise to move, seconded by my hon. friend from Winnipeg North, the adjournment of the house under standing order 26 for the purpose of discussing a matter of urgent public importance, namely the action of the Canadian automobile companies in violating both the spirit and the terms of the Canada-U.S. automobile trade agreement, and their action in failing to honour solemn commitments made to parliament on their behalf, resulting in lay-offs and dislocation affecting employees, and excessive car prices to the consumer public.

Mr. Speaker: Would the hon. member kindly address the Chair and the house on the question of urgency of debate?

Mr. Scott (Danforth): Yes, Mr. Speaker. It seems to me that the general question of urgency here cannot be denied in any way. Our latest information indicates that over 5,000 Canadians have been laid off as a result of the dislocations taking place under this pact.

Further with regard to the urgency of debate I would point out that this is the first opportunity that anyone has had to raise this important matter before Your Honour. With respect to further debate upon it, we are told we are now going into debate on the Bank Act and medicare, which debates will be prolonged and will not provide an opportunity for important matters such as this to be raised.

The real urgency of debate lies in what appears to me to be a complete flouting by the Canadian automobile companies of the expressed wishes of this parliament. All of us who followed the debate on the automobile pact legislation recall the solemn assurances made by various ministers to the members of the house that very substantial steps would be taken and machinery would be set up to take care of the dislocations and hardships which we all knew were going to come about as a result of the legislation. In actual fact this has not been done. The motor companies have never participated in the particular form of adjustment assistance outlined. In short they have declined to do so and have thumbed their noses at parliament.

The urgency further lies in the fact that if outside individuals and companies are going to go their own way, are going to flout their undertakings to parliament, and are going to disregard the expressed wishes of parliament asserted in legislation, then it is important that we discuss important matters of this kind. I further suggest that the failure of the government to make changes mandatory has permitted the motor companies to thumb their noses at us and has caused resultant great hardship to people in the industry. I know there is the other consideration of differences in price as between the United States and Canada. Your Honour may say that matter will be investigated by a particular committee, and I hope the members of that committee will call representatives of the motor companies before them to justify their actions, but in the light of all these circumstances I submit there is urgency of debate on the matter I have raised.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would like to speak very briefly in regard to the urgency of debate. Debate should be allowed in order that certain facts may be brought before the people of this country. I would point out that some manufacturers of automobiles under this new agreement are now manufacturing models in the United States which heretofore were built in Canada, and these models are being brought into this country and sold at Canadian prices even though in the United States they are sold at American prices. This, coupled with the fact that the dislocation in the industry is causing a tremendous number of layoffs in the Canadian labour force, merits consideration of the matter by the house.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to offer some suggestions for your consideration when you are deciding whether or not there is urgency of debate respecting the matter raised by the hon. member for Danforth (Mr. Scott).

First of all, Mr. Speaker, citation 100 in Beauchesne's fourth edition states that adjournment of the house under standing order 26 "must involve the administrative responsibility of the government." I do not suppose it could be argued that a change in the price to purchasers of automobiles, whether it be this year or any other year, directly involves the administrative responsibility of the government, except for the fact that during the past 12 months, and even prior to that the government, or I should say parliament, has allowed something like $50 million per year to be retained in the hands of the automobile manufacturers by relieving them of some import duty, on the firm understanding that there was to be a closing of the gap between the prices of automobiles in Canada and prices in the United States.

Now, Mr. Speaker, if the press reports we have had recently are correct regarding the price changes in the United States and the price changes in Canada, there appears to be only a very small amount, something like $17 to $20, in closing the gap between the price in the United States and the price in Canada for a comparable automobile. In line with what has been advanced to the members of this house so far as the agreement is concerned, to the effect that these price differentials would be brought into line by the end of 1968, and the fact that these are the prices for the 1967 models, it seems to me that what the automobile manufacturers are doing in Canada is not in keeping with the spirit and the intent of what was presented to this house. To that extent, Mr. Speaker, in my view it seems that this does involve the administrative responsibility of the government, because we were told this price differential would be eliminated and in exchange $50 million was granted to the automobile manufacturers.

In so far as paragraph 2 of citation 100 of Beauchesne's fourth edition is concerned, it says that a matter must be so pressing that the public interest will suffer if it is not given immediate attention. Well, Mr. Speaker, the increases in price which have been announced may not be a severe hardship when they amount to somewhere between $40 and $55, but the fact is that the public immediately will begin to pay this amount. Therefore it seems to me it is going to affect the public immediately, whether or not it can be said that the public will suffer. Certainly, however, we have the right to expect an explanation and, as the hon. member for Danforth said, this is the first opportunity we have had to discuss it.

In respect of paragraph 3 of citation 100 dealing with the matter of urgency, where it says there must be urgency of debate, so far as I can see there is no way of bringing parliament's opinion to the attention of the automobile manufacturers in Canada other than through some government sponsored amendment or through a debate in this house. To date we have not had any indication that the government intends to take any action to give effect to what we thought was the intent

and the end result of the agreement that was entered into.

So, Mr. Speaker, I should like to offer these suggestions for your consideration respecting this whole matter. In summary, it seems to me there has not been the kind of action taken that was promised to close the differential between prices here and in the United States. It seems to me the increase in prices in the model year 1967 is in complete contradiction to what the Minister of Industry said some time ago when explaining certain parts of the agreement. He said that while he could not guarantee there would be an immediate reduction in the prices of Canadian automobiles, it would keep the prices from going up between now and 1968, and that by 1968 the cars in both countries would be at the same price. Now, Mr. Speaker, we have a positive indication that the manufacturers have in fact increased the prices between the time of the agreement and 1968, and therefore there does seem to be a justification for some debate on the matter.

• (3:00 p.m.)

Right Hon. J. G. Diefenbaker (Leader of the Opposition): As I appreciate the situation, Mr. Speaker, there cannot be any denial of the fact that there is an urgency to discuss this matter. It seems that in view of the agenda announced by the government there will be no discussion of this agreement which was entered into, but it is of interest to note that its results are exactly those predicted by this party before the agreement took effect.

As a result of this agreement between the two countries the Canadian consumers will have to bear an expense of $50 million without receiving any advantage. The Canadian consumer will have to pay more for his car this year than he paid last year, and the only explanation given is that certain safety features will be standard equipment on this year's cars. Surely this additional cost cannot be justified in those terms. This government, by entering into this agreement, has sold out the rights of Canadians.

As a result of this agreement, cars manufactured in Canada are selling in the United States, in competition with cars manufactured there, at lower prices than Canadian consumers are paying. The Canadian consumer is paying through the nose, and we predicted this before this agreement was finalized. We predicted that this agreement was of such a basic nature it would result in Canadian unemployment.

[Mr. Olson.]

Because of this agreement entered into by this government there are 4,800 Canadians now unemployed who normally would be working for the auto and associated industries. The transfer to the United States of production of cars normally produced in Canada has been another result of this agreement and a cause for the loss to Canadian consumers of $50 million. Canadians are now also paying higher prices without obtaining any benefits as the result of another matter to which reference could be made, the origin of which is clear.

Surely it cannot be said that the government's action in setting up a committee to consider consumer prices will provide a guarantee, and that because of that fact this parliament should not now discuss this matter. We do not know at this stage that this committee will consider this specific situation. It might consider it if the government gave its acceptance to such a suggestion, and I suppose that could happen if members on the other side acted accordingly.

In view of this fact there is no means by which this house can express its condemnation of this burden placed on the Canadian consumer. This discussion must take place now. If we wait for a week, ten days or two weeks the result will be simply a suppliant acceptance in this house of the action of the automobile manufacturers. This action on the part of the government and its failure to act to protect Canadian interests is deserving of our greatest condemnation at this time.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I do not wish to repeat what has been said by previous speakers regarding the motion proposed by the hon. member for Danforth, but one point struck me that I should like to outline. Standing order 26, as interpreted by citation 100 of Beauchesne, states that any adjournment of the house to discuss a matter of urgency must involve an administrative responsibility on the part of the government. I do not think that is necessarily the case here, though I must add that an agreement such as the one arrived at between automobile companies and the Canadian government results in an affront to parliament and Canadians as a whole. I am not suggesting that this subject is urgent or should not be discussed at this time because it should be considered as soon as possible, perhaps at this time if there is no alternative opportunity for debate.

This parliament set up a committee to study consumer credit, and its terms of reference have been broadened to consider the increase in consumer prices. This government has not indicated that it will send the subject matter now before the house to that committee for consideration, but it seems to me that it might be the most effective way of dealing with this matter in light of the fact that we are trying to study this whole question of consumer price increase across this country. I should like the government to consider this suggestion, because it seems to me that it would be appropriate to refer this specific matter to that committee for thorough study and investigation. If we do not follow that course, then I think we should discuss the matter immediately in this house.

Hon. Michael Starr (Ontario): Mr. Speaker, the matter that has been brought to the attention of this house by the hon. member for Danforth is extremely important. The United States-Canada automotive trade agreement must be considered as a direct responsibility of this government, because this government rather than the manufacturers, entered into that agreement with the United States. It was only later that the automobile companies came into the picture.

The stated objective of this agreement was the provision of greater employment in the automotive industry. The exact opposite is actually what has happened, and that was pointed out by various members of this party at an earlier stage.

In attempting to show why this matter should be discussed at this time, let me state—

An hon. Member: Order.

Mr. Speaker: Order, please. I am sure the hon. member wants to direct his remarks to the question of urgency of debate. I have allowed some leniency, but at this time I suggest that hon. members should confine their contributions to the urgency of debate by this house at this time.

Mr. Starr: Mr. Speaker, a few weeks ago General Motors announced the prospective lay-off of some 2,600 employees. I am told that 1,000 employees have received notice to this effect. Shortly after that announcement I understood the figure would be 2,800, and since then I have been informed by authoritative sources that the figure will be more likely in the neighbourhood of 3,500 employees of General Motors in the Oshawa area alone.

Surely in view of these facts this is a vital matter which should be considered by this house at this time. The government should give us a clear and concise statement as to the effect of this agreement on the economy of this country.

We cannot allow a discussion of this matter to be delayed in view of the increasing unemployment. We cannot remain disinterested knowing that the axe is going to fall. Many of these automotive industry employees are concerned because of this agreement entered into by this government. Now is the time for the government to come forward and give a clear and concise statement as to what this program is and what it will likely do to the Canadian economy and its people.

• (3:10 p.m.)

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I do not propose to continue this debate on the automotive trade agreement, which was dealt with by the house some months ago. I propose, if I may, to deal with what I believe to be the question before the house at the moment, namely, whether this is a definite matter of urgent public importance for which the business indicated for the house today should be set aside by reason of the urgent necessity for this debate to take place today.

In that connection I should like to refer again to citation 100 of Beauchesne and especially that part of it indicating that the matter of important business must be so pressing that the public interest will suffer if it is not given immediate attention. I would also refer to subparagraph 8, where it is indicated that it must be an occurrence of some sudden emergency either in home or in foreign affairs. The citation goes on to indicate that it was not intended to cover an important matter that may be of great national interest, the subject matter of which may be urgent in the ordinary sense, but rather urgency of debate.

The right hon. Leader of the Opposition and the hon. member for Ontario have indicated that they do not think the legislation and the signing of the agreement was in the interests of the country, and they have developed an argument which is a continuation of the argument made in that earlier debate. It is clear that they are seeking to continue that debate now under the guise of the proceedings provided for under standing order 26.

Some hon. Members: Nonsense.

Mr. McIlraith: That is what is contemplated. The hon. member for Ontario has gone further and indicated that what he wants is a concise statement from the government dealing with the matter he raised in connection with this question, the lay-offs and so on. If that is what he wants I respectfully suggest that the method to obtain this is not by way of a motion under standing order 26, but by a request to the minister for such a statement to be made on motions before the orders of the day.

Mr. Starr: We have tried, but have had no statement from him.

Mr. McIlraith: The other point I wish to make is that in reading the proposed motion it will be noted that it makes several assumptions of fact. I do not want my omission to deal with those assumptions of fact to be taken as concurrence to any extent in them.

One assumption of fact at the very end of the motion is contained in the reference to higher and unjustified car prices to the consumer public.

I should point out that this house set up a committee to deal with price increases. That committee is now at work; and one of the matters coming before it, if I am informed correctly, is this very question of car price increases in order to find out whether or not they are justified. That committee having been set up by the house for that purpose and being in the midst of its work on that very subject, surely the subject matter should not be withdrawn from the committee and dealt with in an emergency debate under standing order 26.

For those reasons, Mr. Speaker, I would ask that the motion be not accepted.

Mr. Speaker: I wonder whether hon. members wish to pursue this point. I have already heard a number of submissions in support of the motion proposed by the hon. member for Danforth and I am prepared at this time to render a decision, if this is the will of the house. I see the hon. member for Lapointe and a number of other hon. members rising. I would prefer, if I were allowed to do so at this point, to make a decision so we may get on with the business of the house, if this is the wish of hon. members.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I think we should be permitted at least to reply to the statement which has been made by the Minister of Public Works, who has argued that the public interest will not suffer. The whole purpose of the motion is predicated on the thesis that the public interest will suffer in two important respects because the commitments which were made by the government with respect to the Canada-United States auto agreement have not been kept.

The first commitment which was made was that as a result of this agreement, which gives to the automobile companies some $50 million a year in tax relief, the employees in the automotive manufacturing industry would not suffer and there would be transitional assistance benefits payable to any of those who were thrown out of work. One of the automobile companies, General Motors, has taken the position that it is not required to pay the transitional assistance benefits unless the worker can show that the lay-off is attributable to the Canada-United States auto agreement. Consequently these men are being denied something which was promised them in this house.

I submit that the matter is pressing and ought to be settled now. Many of these men have been laid off and others have been notified that they will be laid off. Unless this parliament acts, and acts promptly, these men will not have any recourse to the assistance which we were told in this house by the government spokesman they would be entitled to receive.

The other commitment which was made by the government on behalf of the automobile companies was that the spread between the prices of cars to the consumers in the United States and Canada would be progressively reduced. The prices were not reduced for the 1966 cars, and the figures announced for the 1967 cars show that prices will be increased and not decreased.

The minister argues that there is a committee of the house looking into the matter of automobile prices. First of all, Mr. Speaker, the committee has not yet agreed to look into the price of cars in Canada; and second, the Canada-United States agreement is not before that committee. It is this house which must deal with the problem. It was this house which passed a resolution authorizing the government to proceed with an agreement which they had entered into some 15 months previously, and it is this house which must accept the responsibility of bringing the government to account if the commitments made under that agreement are not being lived up to by the companies concerned.

May I point out, Mr. Speaker, that if the 1967 cars go on the market at the prices which have been announced, it will be too late six months from now for the government to take some action with respect to the prices of cars. The responsibility for seeing that the automobile companies live up to the commitments which they made and commitments which were made on their behalf in this house by the Minister of Industry lies with the house, and it does not seem to me that leaving it to a committee will absolve us of the responsibility which is ours.

I therefore claim that this is a matter of urgency which must be dealt with now. If it is not dealt with immediately, certainly both the workers concerned and the consumers of cars will be ill treated and will suffer loss as a result of the failure of this parliament to deal with the present situation.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to submit another argument which, I believe, will prove the urgency of a debate.

It deals, as a matter of fact, with the strike now going on in an automobile plant in Ste-Thérèse, near Montreal, where the employees are fighting for the recognition of a principle, namely: equal salary for the employees in Quebec and Ontario. That is what people are asking for in the automotive industry.

Mr. Speaker, the fact that a strike was called for a principle which appears most important to the employees of an industry located near Montreal who do exactly the same work as other employees in a similar industry in Ontario and that this principle aims at establishing similarity in salaries, equal salaries for both, that illustrates the urgency of the debate on the dealings of the automotive industry in Canada.

Thanks to a special treatment granted by the government, those industries enjoy lower taxes, lower tariffs.

Such companies should not take unfair advantage of it; rather they should treat all Canadian citizens equally, whether in Quebec or in Ontario.

Mr. Speaker, I think that you would be totally justified to grant that debate since there is a strike going on now about that and the principle is most important and serious.

• (3:20 p.m.)

[*English*]

Mr. Speaker: Order, please. Again I call for the co-operation of hon. members in order to make a ruling at this point. Since I requested this co-operation from hon. members two additional contributions have been made, but I regret to say they have not changed the opinion I had already reached. The hon. member for Cariboo may want to add something?

Mr. Bert Leboe (Cariboo): I should like to add one sentence because I think it does have a bearing on what we are doing here today. Since reference has been made to a committee, I think it is most important and most urgent that we have a debate here, so that in case the committee decided to deal with this question, then it would have the benefit of this debate in carrying out its work.

Mr. Speaker: Hon. members know that it is only on rare occasions and under very extreme circumstances that a motion of this type is allowed by the Chair. There are urgent and important matters coming up all the time, and if a motion under standing order 26 were allowed in all instances, or in most instances, the house business as presented by the government would never be proceeded with.

I have to suggest to hon. members that they again consider the provisions of citation 100, paragraphs 2 and 3, of Beauchesne's fourth edition, to the effect that a definite matter of urgent public importance for the discussion of which the adjournment of the house may be moved under standing order 26 must be so pressing that the public interest will suffer if it is not given immediate attention. There must be a prima facie case of urgency. "Urgency" within this rule does not apply to the matter itself, but it means urgency of debate.

I am completely satisfied that the matter raised is one of national importance and one of great urgency, but I am doubtful as to whether it is sufficiently urgent that the ordinary business of the house should be set aside in order that hon. members may proceed with consideration of the matter raised by the hon. member for Danforth. I must exercise my judgment in a situation such as this one. I have weighed the arguments brought forth in favour of allowing the motion and the argument brought forward by the Minister of Public Works in opposition thereto. Having taken into account the arguments advanced,

having looked into the matter as closely as I can and as generously as I can, I feel I cannot allow this motion at this time.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion No. 154 is acceptable to the government.

Mr. Speaker, would you be so kind as to call notice of motion No. 151.

[*English*]

CORRESPONDENCE BETWEEN PRIME MINISTER AND R. M. WHICHER

Motion No. 154—**Mr. Loney:**

That an order of the house do issue for a copy of all correspondence dated since November 8, 1965, between the Prime Minister and Ross M. Whicher, M.P.P. Bruce.

Motion agreed to.

MOVEMENT OF CIVIL SERVANTS TO PROMOTE BILINGUALISM

Motion No. 151—**Mr. McCleave:**

Than an order of the house do issue for a copy of all letters and memoranda exchanged between the Prime Minister and senior civil servants concerning movement of civil servants to centres outside of Ottawa-Hull, for the purpose of improving or promoting bilingualism.

He said: This can be dropped, Mr. Speaker.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR FEDERAL-PROVINCIAL CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, so that his promise of medicare by July 1, 1967, can be carried out I should like to ask the Prime Minister whether consideration will be given by the government to the convening of a federal-provincial conference, so as to secure basic agreement amongst the provinces, rather than putting this off indefinitely.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there will be an opportunity in a day or two to discuss this whole question, when the medicare legislation is introduced.

[Mr. Speaker.]

Mr. Diefenbaker: The question was not related to a discussion of the whole matter. The question was, has the government given consideration to enabling the Prime Minister to carry out his word given to the Canadian people over and over again, that medicare would begin on July 1, 1967, by the convening of a federal-provincial conference with a view to securing agreement?

Mr. Pearson: Mr. Speaker, we propose to proceed with the legislation and I hope it will be in effect in a few weeks.

THE CANADIAN ECONOMY

STEPS TO DEAL WITH RISING PRICES AND INCREASING COSTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Finance. In view of the widespread concern of the housewives of Canada about the rise in the cost of living, particularly the increase in the cost of food, is the minister prepared to reconsider his position with regard to asking the house for authority to set up a prices review board that would review these price increases periodically, with a view to determining whether or not price increases are warranted?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, it is not my intention to bring any such proposal before the House. I am very happy that, on the initiative of this side of the house, a committee of the House and the Senate has been established in which these matters can be reviewed. I think this committee is doing excellent work. As to the future, I would not want to rule out new departures in policy. I think the particular proposal that has been made by the Leader of the Opposition would be a superficial way of dealing with a fundamental problem.

Mr. Douglas: May I ask a supplementary question. Does the minister intend to delineate any guide lines for policy on wages, consumer prices and profits which would give the economy some guidance in this matter as related to a proper balance among the three factors?

Mr. Sharp: I am expecting the Economic Council of Canada will be presenting its report this month. This will give an opportunity for a thorough study of this proposal, which is one I might want to support.

Hon. E. D. Fulton (Kamloops): May I ask the Minister of Finance or the Prime Minister whether we can take the statement made by the Minister of Industry in Edmonton before the Canadian Chamber of Commerce, as reported in the *Globe and Mail* today, as representing government policy, namely that a guide line of 3 per cent on pay and profits should be followed by labour and management?

Right Hon. L. B. Pearson (Prime Minister): Perhaps the hon. gentleman would appreciate receiving a copy of the full text of the minister's speech, which I have had the opportunity of reading. If he did, perhaps he would revise his opinion of that report.

Mr. Fulton: This is not an answer to the question I put. Perhaps the Prime Minister will answer the question, which was whether we should take a guide line of 3 per cent on pay and profits as being government policy.

Mr. Pearson: There were no guide lines laid down by the minister in his speech.

[*Later:*]

Mr. Fulton: May I ask the Minister of Finance whether he agrees with the Minister of Industry, his colleague, that the general guide line for non-inflationary wage increases, profit increases, and government services expenditure is the national productivity trend, or about 3 per cent per annum, and if so—

Mr. Speaker: Order. It appears the hon. gentleman is asking a question which was asked a moment ago. The first time, it was asked in the proper way when he inquired of the Prime Minister whether this represented government policy. An answer was given by the Prime Minister and the question cannot be asked a second time.

Mr. Fulton: With respect, the Prime Minister said it was not government policy, or that no such statement had been made. I am asking the Minister of Finance if he agrees with the statement made by his colleague and, if so, whether he will take steps to incorporate it in legislation or in recommendations brought before the house.

Mr. Speaker: I assume the minister will have taken note of the suggestion.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

COST OF SALARY INCREASES FOR EMPLOYEES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): In view of increasing costs, is the Prime Minister prepared now to bring before parliament the question of the 24 per cent increase that was granted Canadian Broadcasting Corporation employees, and to tell the Canadian people what it is going to cost the taxpayers?

Right Hon. L. B. Pearson (Prime Minister): The chairman of the board that looked into this matter recommended increases of 7½ per cent, 7½ per cent and 7½ per cent over three years. This was a cumulative recommendation. The government felt, since it was responsible for the C.B.C., that it would be unwise from the government point of view to go beyond these figures, and the C.B.C. did not do so. A settlement was reached on a different basis within the figures I have mentioned, namely 9 per cent, 9 per cent and 4½ per cent.

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST FOR POLICY STATEMENT ON FEED GRAIN SUBSIDY

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question to the Minister of Forestry and Rural Development.

Could he tell the house what progress has been made in the negotiations and discussions held between himself, his department, the railway companies, the truckers and the millers, concerning the transfer of a franchise for the transportation of feed grain from the trucking companies to the railways?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, there have never been any such discussions.

Mr. Langlois (Mégantic): A supplementary question, Mr. Speaker. Could the minister say if, further to a meeting held a few days ago in Drummondville and attended by the Quebec millers and himself, there has been a change in government policy regarding subsidies paid to truckers for feed grain transportation?

Inquiries of the Ministry

Mr. Sauvé: There has been no change, Mr. Speaker, and I believe there is some confusion. The C.N.R. and the C.P.R. have proposed certain arrangements to the millers from the province of Quebec for the transportation of feed grain, from Fort William and Port Arthur to eastern Canada and Quebec, and this in no way affects the situation of Quebec truckers.

[*English*]

OLD AGE SECURITY

INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that the government has indicated several times during recent months that it is its intention to increase old age pensions during this session, would the Prime Minister inform the house when the introduction of the enabling legislation can be expected?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government hopes and intends to bring in legislation for this purpose during the current part of this session—that is, before Christmas.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the concern being expressed in the country, may I ask the Prime Minister whether consideration is being given to providing for an old age pension increase without imposing any test or limitation?

Mr. Pearson: Mr. Speaker, the hon. member should wait until the resolution is introduced; his understandable curiosity will be satisfied at that time.

Mr. Knowles: I think I shall have to satisfy my curiosity at ten o'clock.

FINANCE

CASH VALUE OF 3 PER CENT PERPETUAL BONDS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, might I explain in advance the objective of my question, which is to ascertain whether the government would give reconsideration to a decision which was made and announced on September 14, whereby the holders of perpetual bonds bearing 3 per cent per annum are being denied the cash value at this time.

[Mr. Langlois (Mégantic).]

The result of the direction which was made by the government that those bonds will be continued, which is contractually within the powers of the government, has meant that a $1,000 bond has fallen to about $500, and that people who invested their earnings 30 years ago, now old in years and needing their money, are being denied a return on their money and are forced to continue to lend money to the government at 3 per cent.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, these bonds were issued in 1936 by a government led at the time, I believe, by Right Hon. R. B. Bennett—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege, they were issued by the government of Mackenzie King.

Mr. Sharp: Mr. Speaker, I admit that my memory failed me there; Mr. Bennett was defeated the year before.

Mr. Pearson: Badly defeated.

Mr. Sharp: However, that has nothing to do with the argument I am going to make.

Mr. Diefenbaker: Why bring it up, then?

Mr. Sharp: Mr. Speaker, these bonds were issued in the amount of $55 million, and their purchase was really a means of providing a continuing income. They were at that time and still are paying on the original issued price about 3.11 per cent; they have a coupon rate of 3 per cent.

There were times during that period, Mr. Speaker, when these bonds sold at a premium. They have not always sold at a discount. They have only sold at a discount since the increase in interest rates. During most of the period, of course, interest rates have been higher than 3 per cent, certainly in recent years.

In order to redeem those bonds the government would be required to raise a similar amount of cash. If we were to pay current rates of interest, it would add another $1.5 million to national debt charges. The house will understand that there are many securities now being traded on the market, issued by the government of Canada, which are trading at a discount; and to admit the principle that the government has an obligation to redeem all government securities at par at any time would, I am sure, not be an admission that would be supported by the right hon. gentleman.

The government considered very carefully whether it should redeem these bonds, but it seemed to us that many of these holders had bought the bonds at discount as well as at par, and even at above par. The bonds were bought at all sorts of prices, and to redeem them now would be to give to some holders a capital gain at the expense of the taxpayers generally.

While I very much regret that there are some holders who are now suffering some loss, there are others who would make an unmerited gain, one that I as Minister of Finance would not feel justified in recommending to this house.

Mr. Diefenbaker: I ask the minister, does he feel that those people, who are all up in years now, are to suffer by reason of his direction on September 14—

Mr. Speaker: Order, please.

Mr. Diefenbaker:—a depreciation in the value—

Mr. Speaker: Order.

Mr. Diefenbaker: —of 50 per cent?

Mr. Speaker: Order, please. The second question put by the right hon. Leader of the Opposition is to my mind clearly argumentative. I should like to remind both the Leader of the Opposition and the Minister of Finance of the practice of this house referred to in our rules, which requires that questions should not be asked that are of a nature demanding a lengthy and detailed answer, and also that answers should be as brief as possible. Both question and answer were defective in this regard.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask an important supplementary question. Would the minister now consider inserting a maturity date in these bonds?

Mr. Sharp: Mr. Speaker, I would have to give consideration to that, as I have given consideration to this question since I have been minister. I have received a great deal of correspondence about it. However, I have to bear in mind that not all of the holders are old and not all of them have held these bonds from the beginning. Some of the bonds have been purchased at very substantial discounts, as much as 50 per cent, and I really do not feel that there is any special obligation on the part of the taxpayers to give these people an unmerited capital gain. So that this question is not as simple as it appears from the way it is put by members of the opposition.

Mr. Speaker: Order. I would suggest to the minister that that question should not have been answered; this is now developing into a debate.

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Is the government going to support and vote for the seating of the delegation of the People's Republic of China at the present meeting of the general assembly of the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, if my hon. friend has not read the statement that I made at the United Nations general assembly, perhaps he would be good enough to do so, because he would see that we share a common concern about this important problem. The government's policy on this question will be decided during the course of this assembly, and in so deciding we will bear in mind a number of circumstances, including the recent developments in China.

There can be no doubt that it would be desirable to seat mainland China in the United Nations; this I said at the United Nations. This depends upon the competition for jurisdiction between the two Chinas as to the same territory. It also involves the seating of two distinct governments at the United Nations. Can this problem be resolved?

Some hon. Members: Order.

Mr. Martin (Essex East): We will do our utmost to try to bring about its resolution.

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

Mr. Speaker: Perhaps the Chair might at this time be allowed to remind—

Mr. Starr: I have a different point of order, Mr. Speaker.

Mr. Speaker: I will recognize the hon. member in a moment, after I have taken the liberty of reminding the minister of the requirement that answers should be as short as possible. The minister's reply amounted to a debate.

Inquiries of the Ministry

Mr. Starr: Mr. Speaker, I think I will address my question to the Prime Minister. I wonder if he would take the answer that was given by the Secretary of State for External Affairs and send it to the United Nations for clarification?

Some hon. Members: Oh, oh.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. If members of the opposition, when asking questions of such far reaching significance and importance, would have the courtesy of letting the Secretary of State for External Affairs know about their questions in advance, the Secretary of State for External Affairs would be able to spend some time thinking about the matter, and he would of course produce a clear and succinctly short answer.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Skeena.

SHIPPING

ST. LAWRENCE RIVER—INQUIRY INTO SINKING OF DREDGE

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I might address my question to the Minister of Transport. I am sure he does not need notice, and does not need to think about it. May I ask the minister what action, if any, the government has taken with respect to causing an inquiry to be held into the sinking or capsizing of the *Manseau No. 101,* a dredge, in the St. Lawrence river above Quebec, which recently resulted in the loss of ten lives.

Mr. Pickersgill: Whether an actual—

Mr. Speaker: Order, please. I suggest that the hon. member put the question on the order paper.

Mr. Howard: May I speak with your permission please, Mr. Speaker. Always in the past, since Your Honour has been in the Chair, questions relating to accidents on the St. Lawrence river or in the St. Lawrence Seaway, and especially those which have resulted in the loss of lives, have been permitted at this stage, and have not been relegated to the position of being placed on the order paper. There is an urgency about this that I think requires an answer now, because another ship may have been involved.

[Mr. Speaker.]

Mr. Speaker: Order, please. I gather, from the Minister of Transport that he has a ready and quick answer. Perhaps he might be allowed to make it.

Hon. J. W. Pickersgill (Minister of Transport): As soon as news was received of this most unhappy and regrettable accident an investigation was started immediately. It is under way and is being pushed as fast as possible.

LABOUR CONDITIONS

BRITISH COLUMBIA—PROHIBITION OF OVERTIME WORK

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. Would the minister care to comment on Premier Bennett's recent freeze on overtime work as his contribution toward combating inflation?

Mr. Speaker: Order, please. The question is not in order.

[*Translation*]

HISTORIC SITES

QUEBEC—DEMOLITION OF HOME OF SIR ALEXANDER GALT

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have already given the Minister of Indian Affairs and Northern Development notice of the question I will now put to him.

I have here a copy of a resolution which the Eastern Township Historical Society forwarded to the minister last September 30.

Now, further to that resolution, could the minister tell the house why he ordered Sir Alexander Galt's house in Sherbrooke to be demolished, without giving notice to the said society? Does he propose to honour the memory of Sir Galt, one of the Fathers of Confederation, by restoring the remaining outbuildings?

Mr. Speaker: I think the hon. member should either discuss the matter with the minister or put his question on the order paper.

Mr. Allard: Mr. Speaker, I intend to discuss the matter at ten o'clock tonight.

[*English*]

INDUSTRY

MOTOR CARS—STEPS TO CANCEL PRICE INCREASES

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct this question to the Minister of Industry. In view of the many concessions given to the Canadian car manufacturers under the Canada-United States car treaty, what steps does the minister propose to take so that Canadian car manufacturers will roll back their recent increases on prices of cars?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, in respect of the recent price announcements made by the motorcar companies, I think hon. members will have noted that there has been this year a further narrowing of the differential in manufacturers' sale prices, between Canada and the United States, in respect of the different models.

There are I think, as hon. members know, a great many models provided by each manufacturer, and the changing in prices annually takes place, not only over-all, but with one model in relation to another. This is quite a complex matter. I have taken the opportunity of having these figures studied by my officials. I am satisfied that, as anticipated and indeed as hoped for, there has been this year a greater narrowing of the differential in manufacturers' prices, between Canada and the United States, in addition to that of last year.

I also note that, while there had been price increases announced in the United States in relation to last year's models, claimed by motorcar manufacturers to result from making standard this year items which previously were optional, and from introducing some new items of safety interest which last year were not available at all, the price increases in the United States reflecting these additions made standard this year have been introduced in Canada at varying lower figures by each of the three main motorcar manufacturers in Canada, as compared with the United States.

Mr. Hales: A supplementary question, Mr. Speaker. The minister failed to convince me that Canadian car prices are lower. May I direct my supplementary question to the Minister of Finance. Is the Minister of Finance giving any consideration to lowering the tariff of 25 per cent on cars and 17½ per cent on car parts, imported by individuals to Canada, in order to force the car manufacturers to lower their prices?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, if I had any such intention I would bring it before the house at the appropriate time.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a supplementary question to the Minister of Industry. The press on September 23 quoted the minister as having made a very stiff protest to the automobile manufacturers, warning them not to raise their prices for 1967 cars. I want to ask the minister if he feels that the automobile companies have complied with this request?

Mr. Drury: Mr. Speaker, I think I did explain that prices, model for model this year, are higher than last year. The motorcar companies have pointed out that the increases in prices reflect additional items this year, made standard equipment, which were either not available or which were optional last year.

The fact that the price of a similar package in the United States has been priced higher by the United States manufacturers than by the Canadian manufacturers is an indication, I suggest, that the Canadian motorcar manufacturers are proceeding in the direction the automotive agreement contemplated, which agreement they are endeavouring to carry out.

Mr. Douglas: A supplementary question, Mr. Speaker. Is the minister satisfied that the manufacturers have complied with his request.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to ask the Minister of Industry and Defence Production if he intends to bring pressure to bear on General Motors so that the salaries paid to their workers at Ste. Thérèse be identical to those paid for similar work in their Ontario plants?

Mr. Drury: Mr. Speaker, I am sure the hon. member will understand that it is not incumbent upon the Department of Industry to deal with such matters.

Inquiries of the Ministry

[*English*]

WATER RESOURCES

GRAND RIVER—REQUEST FOR FEDERAL AID IN CONTROL MEASURES

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, I wish to ask a question of the Minister of Energy, Mines and Resources. Has the minister received representations from the Grand River conservation authority asking for federal aid in the program of flood and pollution control involving the construction of major dams?

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

GRAIN

WHEAT—REQUEST FOR HIGHER INITIAL PAYMENT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to address a question to the Minister of Finance, who answers in parliament for the Canadian Wheat Board. On August 30 I asked the minister whether or not the government intended to authorize an increase in the initial price of wheat for the present crop year. At that time he replied that the matter was under consideration by the government. Is the minister now prepared to give a definite answer? How much consideration has been given to this matter? Can he tell us the amount by which the initial price may be increased or the date upon which an announcement may be expected?

Hon. Mitchell Sharp (Minister of Finance): No decision has yet been made to increase the initial price.

PENSIONS

REQUEST FOR INCREASES FOR RETIRED RAILWAY WORKERS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I should like to direct a question to the Minister of Finance concerning the pensions of retired railroad men, who are asking for a review of their case so that these pensions might be brought into conformity with the present cost of living. Has the minister received representations from these railroad men, and if so what was the answer to their submission?

Hon. Mitchell Sharp (Minister of Finance): I am not aware that I have received any representations of this kind, but I will have a search made.

[Mr. Drury.]

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF BASE LINES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): My question was intended for the Secretary of State for External Affairs but in his absence I will direct it to the Minister of Fisheries. In 1964 parliament passed Bill No. S-17, an act respecting the Territorial Sea and Fishing Zones of Canada. Would the Minister of Fisheries tell the house whether any progress has been made toward the protection of Canada's fisheries and Canadian fishermen through the establishment of proper base lines for territorial and fishing zones.

Mr. Speaker: I am wondering whether this question is not excessively broad in its implications—whether the hon. member is not asking now for a statement on policy. Perhaps the question might be placed on the order paper. It seems to me that this is a type of question which should be answered by ministers through statements on motions rather than at this time.

Mr. MacInnis (Cape Breton South): On a point of order with regard to that last observation, no statement of policy was requested. This is a question about legislation which was passed by this house but never enacted.

[*Translation*]

FINANCE

SUGGESTED TAX REDUCTION TO COMBAT INFLATION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Finance.

Following several statements made by the minister and by several other members of the government concerning the fight against inflation, could the minister tell the house whether he has considered reducing the taxes paid by the Canadian taxpayers?

Mr. Speaker: Order. I suggest to the hon. member that this is again a very general question which should be put on the order paper.

UNEMPLOYMENT INSURANCE

QUEBEC—REQUEST FOR LIST OF OFFICES TO BE CLOSED

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

I should like to know whether the minister could table in this house a list of unemployment insurance offices intended to be closed down as a result of the new policy of his department.

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, unemployment insurance offices do not come under my department.

Mr. Speaker: This question should be placed on the order paper.

[*English*]

TRADE

POTASH—APPROVAL OF ARRANGEMENTS FOR SALES TO CHINA

On the orders of the day:

Mr. J. N. Ormiston (Melville): I have a question for the Minister of Trade and Commerce, but since he has left the chamber I will refer it to the Prime Minister. Is the Prime Minister aware of the fact that when our Chinese customers wish to buy potash from a certain plant in Saskatchewan, no arrangements can be made in Canada; they have to be made through the plant headquarters in the United States?

Mr. Speaker: Order. This question might be placed on the order paper. Certainly in the form in which it has been asked it is not acceptable now.

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR RETENTION OF MUSICAL RIDE AND EQUESTRIAN DUTIES

On the orders of the day:

Mr. K. H. More (Regina City): My question is directed to the Solicitor General. I wish to ask him whether the government is giving consideration to removing from the R.C.M.P. establishment in Regina the training equipment, forces and personnel needed for the musical ride and other equestrian duties. If so, has a final decision been taken or is the minister giving sympathetic consideration to the many representations that these facilities should remain in Regina for historic and other substantial reasons?

Mr. Speaker: The question should be placed on the order paper. The question period has now expired.

Mr. More: On a point of order, Mr. Speaker, I understand that this matter is receiving consideration and is under decision at this very moment. There is concern about this proposal and representations have been made with regard to it. I understand that the minister has an answer ready.

Mr. Speaker: If the hon. member feels this is an extremely urgent matter it might be considered at ten o'clock tomorrow.

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-222, respecting Banks and Banking.

He said: Mr. Speaker, when the resolution preceding this bill was introduced in July, the proposed changes as compared with the present Bank Act were, in my opinion, of such importance that I gave a somewhat fuller and more detailed explanation of the major features than is usually given at the resolution stage. Because of this I do not propose to speak at great length on this bill at the present time. I will of course be pleased to offer any further explanations hon. members may ask for.

As I mentioned in my speech to the house in July, the main proposals contained in this bill to revise the Bank Act are intended to increase the degree of competition and flexibility in our banking system so that it will best serve the changing requirements of the Canadian economy and the interests of all Canadians. This objective was the central theme of the report of the Royal Commission on Banking and Finance, and I believe that the present bill is a very substantial step along the general lines of that commission's recommendations.

These main proposals can be briefly summarized as follows:

(1) A new formula, effective January 1, 1967, to fix the maximum rate of interest that banks may charge on loans in Canada and eventually to remove the ceiling altogether. The maximum rate for each six months period beginning January 1 and July 1 would be $1\frac{3}{4}$ per cent plus the average yield on short term government bonds (i.e. those maturing within three years) during the three months

period ending one month before the effective dates. When the average yield on these bonds for any three month period after January 1, 1967, falls below 4½ per cent there will no longer be any statutory maximum rate of interest on bank loans in Canada.

(2) Agreements between banks on interest rates both on loans and deposits will be prohibited.

(3) Each bank will be required to disclose in its financial statements, details of revenues and expenses and the amount of its so-called inner reserves.

(4) The present cash reserve requirement of 8 per cent of total Canadian deposits will be gradually replaced by a cash requirement of 12 per cent against demand deposits and 4 per cent against term and notice deposits (including personal savings deposits). On present figures this formula would result in an over-all cash requirement of 6.6 per cent. The Bank of Canada will have stand-by power to impose a secondary reserve, initially of not more than 6 per cent, which may be increased monthly in steps to a maximum of 12 per cent and which the bank may reduce or remove at any time.

(5) Banks will be permitted to make mortgage loans (N.H.A. and conventional), and the maximum rate of interest provisions will not apply to such loans.

• (4:00 p.m.)

The amount of a conventional mortgage loan will be limited to 75 per cent of the value of the property. The total amount of conventional mortgage loans on residential property that a bank may have will be limited to 3 per cent of its deposit liabilities and debentures in the first year, and 1 additional per cent per annum thereafter, with a maximum of 10 per cent in total.

(6) The banks are to be given authority to issue debentures ranking in priority after their deposit liabilities. The amount of debentures that a bank may have outstanding will be limited by restricting the increase per annum to 10 per cent of paid-up capital and rest fund, and by an upper limit of one half of a bank's paid-up capital and rest fund.

(7) The shareholding that a bank may have in any other Canadian corporation is limited to 10 per cent of the voting shares of the other corporation, and no more than one fifth of the directors of any company may become directors of a bank.

(8) Two years after the statutory interest rate ceiling on bank loans has been removed,

[Mr. Sharp.]

a director of a trust or loan company that accepts deposits from the public may not be appointed or elected a director of a bank.

(9) Except for any existing situations, and in the case of resident shareholders of a new bank if the government gives specific approval, ownership by any one shareholder and associates will be limited to 10 per cent of a bank's shares, and total ownership by non-residents will be limited to 25 per cent. Pension and similar funds of a province will be permitted to own up to 10 per cent of a bank's shares for all such funds of any province, on a non-voting basis. The size of a bank in which one shareholder has more than a 25 per cent interest will be limited by reference to the amount of its authorized capital and this, as the house knows, applies to the Mercantile Bank, and to another bank which I shall mention shortly.

In that connection I should mention that the special act of parliament incorporating the Bank of Western Canada included limitations similar to those proposed in the bill to revise the Bank Act. The Bank of Western Canada has asked the government for permission to have a group of associated Canadian shareholders hold more than 10 per cent of the bank's initial capital, and that permission has been given by the government. This action, of course, was provided for in the bank's act of incorporation. So long as one shareholder has more than a 25 per cent interest, the Bank of Western Canada will of course be limited as to the size of its operations by reference to the amount of its authorized capital, just as the Mercantile Bank is today.

As I announced in July, legislation to establish a system of deposit insurance for banks, and federally incorporated trust and loan companies, which would be made available to provincially incorporated institutions which accept deposits from the public and carry on business within the meaning of the Trust Companies Act or the Loan Companies Act, is being prepared.

The government will discuss the position of provincially incorporated institutions in relation to deposit insurance with the provincial governments. The intention of the government is to introduce this legislation into parliament as soon as possible in the present session. It would be premature to forecast details at this stage, but I can say that it is the intention that the government will provide the initial capital resources of the insurance corporation, with further resources to be

provided by premiums payable by the member institutions. It is the intention to keep these premiums as low as is consistent with establishing an adequate reserve fund against possible losses.

When the resolution for the bill to revise the Bank Act was introduced in July there were some who expressed the view that the government should have defined the business of banking and forced so-called "near banks" either to accept such federal control or give up their banking activities.

My predecessor, the hon. member for Davenport (Mr. Gordon), made clear last year that the determination of what constituted the field of banking within our jurisdiction was a matter for the courts, and it did not appear that the royal commission proposal for treating all institutions accepting deposits payable within a hundred days as banks fitted into the pattern of judicial decisions in this field. We do not think it necessary or desirable at this time to endeavour to force provincial institutions under this somewhat doubtful boundary of our jurisdiction. We think it more sensible to make it possible for the deposit institutions under federal law to be competitive and flexible in meeting the banking requirements of the Canadian people. We believe this will bring about a situation where those who wish to engage in the business of banking will find it to their advantage to come under federal legislation.

I make these comments because this point was urged quite strongly, particularly by members of the official opposition, and I have no doubt urged in good faith, and I am giving the reply in as precise terms as I can as to why we did not at this time proceed to follow the recommendation of the royal commission in this respect. But I would add one word—

Mr. Fulton: May I ask a question at this point? Could the minister give us an idea of the extent of the consideration given to the question of a definition of banking that would be acceptable in accordance with the B.N.A. Act? I know it is a difficult problem, but was it considered and rejected as being impractical, or what considerations were involved?

Mr. Sharp: Advice was sought from the government advisers, from the Department of Justice, and there was a good deal of doubt expressed as to what was or would be an acceptable definition of banking. I believe that it would be desirable, if possible, to establish more clearly the jurisdiction of parliament in this field. On the other hand I share with my predecessor in office the conviction that it would be rather imprudent on the part of the government to rest its legislation, namely this Bank Act, upon a definition that had to be tested in the courts.

We therefore felt it would make for greater progress in improving the rules for banking business generally, whether one includes the charter banks or "near banks," by establishing a deposit insurance institution.

Until the hon. member for Kamloops (Mr. Fulton) interrupted me I was going to go on to make one other point that was made by the royal commission, because I examined its report after listening to my hon. friends' comments when the resolution stage was under consideration. The royal commission said that there was no particular relationship between removing the interest rate, which they advocated, and the extension of the jurisdiction of parliament over the "near banks." Indeed, as I recall the words of the royal commission, they were to the effect that whatever else is done the interest rate ceiling should be removed.

There has been some criticism made to me by Canadians of the omission from the bill of any provision to permit the establishment of agencies in Canada for foreign banks, as recommended by the royal commission. We have omitted it on the ground that it would weaken in some degree the control exercised over credit conditions in Canada by the monetary authorities. Canada already has a very free and open capital and money market, and Canadians are quite prepared to conduct a large part of their business in other currencies.

On the other hand it has been represented to me that by permitting agencies we would be furthering still more our objective of more competition in lending in Canada, while it would not be necessary to permit the agencies to accept deposits from Canadians, just as the agencies of Canadian banks in, for example, New York, are not permitted to accept deposits from residents of that state. I hope that the committee will go into this subject thoroughly, and I can assure the house that the government will give most serious consideration to its recommendations.

In the weeks since this bill to revise the Bank Act was made public there has been an opportunity for comment and technical criticism, and for consultation. as a result there will be a number of technical points on which the government will propose amendments in committee. When the bill receives second

reading I shall propose that it be referred to the standing committee on finance, trade and economic affairs for detailed study.

• (4:10 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I did not participate in the debate on resolution stage, because of the time element. The time element is now very critical since the bill must receive consideration by the house on second reading and then must go to a committee where representations will be heard, and time must be allowed to various witnesses, who undoubtedly will wish to appear, to prepare and file their briefs. Then, after consideration by the committee, the bill must come back into this house for clause by clause study in committee of the whole. It must then go to the other place for equal consideration. There is a deadline of November 30 for proclamation. Unless the government brings in a further bill extending the life not only of the Bank Act but also of the Quebec Savings Bank Act, then our banking operations in this country will cease. I am not very sanguine about any rapid progress. Therefore, I should like to see this bill go through the committee as soon as possible. This is the wish of the official opposition. We made our points at the time of the resolution and, after having seen the bill, I can assure the minister and the government that the views of the opposition have not changed one iota in respect of this bill.

This bill is probably one of the most momentous we have had to study. In so far as Canada and its economic life is concerned, it is even more important than any of the wide ranging proposals for social welfare that the government has considered in the past. It is much more important, in my mind, than the very complex and very important transportation legislation which is before this house at the present time. This bill, and the banking system which must follow upon the implementation of the bill, if passed by parliament, will affect the whole lifeblood of our country. It goes to the absolute root of our economic strength and one can cry or proclaim from the rooftops, or boast about our welfare measures and all sorts of legislation which we may have on our books, but if we have sapped the economic strength of our country, those social welfare measures of our country are not worth the paper they are written on. Therefore, of primary importance to this country is a strong effective banking system, and this is what we must aim for—a strong and effective banking system that not only sees to the protection of the depositors and the creditors of the banks, but which also is very flexible.

Some may say there is a paradox, there is a conflict of interest at some point; but surely as a result of the studies by the Porter royal commission and the experience of the banking system as a whole, we know at about what point we can reconcile the degrees of flexibility with the appropriate safeguards for the depositors and creditors of our banking institutions. The minister has repeated at the resolution stage, and my colleagues in July indicated a general agreement, that the central theme of the Porter commission report is to allow our financial institutions, especially the chartered banks, to have much broader investment powers and opportunities, coupled with correspondingly broader borrowing powers than existed in 1964. In a nutshell, Canada's banking system must be made more flexible, albeit at the same time maintaining the sound characteristics which have been the hallmark of Canadian banking in the past.

At the resolution stage the Leader of the Opposition (Mr. Diefenbaker) as well as my colleagues from Perth (Mr. Monteith), Northumberland (Mr. Hees), and Kamloops (Mr. Fulton) emphasized that the recommendations of the Porter commission dealing with this theme were not divisible; they were part of a package which was meant to be all-embracing to cover the bank and "near banks". It is a very poor thing to tinker with the status and powers of banks and leave untended, uncontrolled or unsupervised the activities of the "near banks" which have introduced, if I may use the term, many loose ends in the banking and monetary system of Canada today.

It is singular that we have not heard from the hon. member for Davenport (Mr. Gordon), who was the godfather and sponsor of the government bill last year, to see what his views would be in respect of the Bank Act, in the light of the debacle of the Atlantic Acceptance Corporation and those companies which went down with it. At that time he held certain airy views, and I thought they were rather casual, with regard to some of the responsibilities under our banking system.

The present Minister of Finance (Mr. Sharp) uses the words "the events of the past year have caused us to revise our thinking". I should hope so; but unfortunately he has gone but an inch when he should have gone a mile. I and my colleagues have stated that we think this is a poor job of tinkering, because

the "near banks" who have taken such a large share in the monetary operations in this country are frankly under little or no supervision. I had the opportunity recently to discuss this with a number of the supervisory officers of provincial authorities. Frankly, outside of filing annual returns of a very nominal nature and outside of certain superintendents of insurance adopting an absolute and firm attitude of no expansion into other provinces by provincially incorporated trust companies, there is no control.

It is my thought that there should have been some very positive effort. The deposit insurance scheme advanced by the minister under this act is a form of negative action. I do not see how it will achieve the result we want, which is the protection of the depositors and creditors of these trust companies. Those are the people who have to be protected. Any well-operated trust company would have nothing to fear in operating under the umbrella of the Bank Act. As a matter of fact the officers of a number of these companies have told me they would welcome such control, because it would establish their companies as being well operated and sound companies. I think the banks themselves would not object to it; they would all be on the same footing. I would think that the officers of any chartered bank would tell you they are prepared to compete with anybody, on equal terms.

This is what we must have, but we do not get it in this Bank Act. We know there are some operations which would have difficulty standing up to the light of day. In the last week I have seen in the windows of a trust company a new advertisement announcing 7¼ per cent deposit certificates.

• (4:20 p.m.)

There is an interest spread between 7¼ per cent and 6¼ per cent, because the standard interest rate on this type of investment on the part of provincial and trust companies is about 6½ per cent or 6¾ per cent, although some limit the rate to 6¼ per cent. I should like the Minister of Finance to tell this house what he thinks the rate on the return of investment in these trust companies must be in order to enable them to pay this 7¼ per cent. I quite frankly believe that, by comparison, Shylock must be deemed to have been a kindly old gentleman.

The minister suggests that we cannot place these companies under the general definition of banks, but I suggest that is a point that is arguable. In spite of that fact, we are asked to adopt the negative measure called deposit insurance under the name of the Federal Deposit Insurance Corporation. I should like to know why legislation regarding this Federal Deposit Insurance Corporation is not before us at this time, because the rules and regulations of that deposit insurance corporation are part and parcel of the supervision to which the minister referred in his statement at the resolution stage.

Let me use the minister's words. He said that this whole situation must be subject to effective inspection and adequate regulation in order to safeguard depositors, primarily. Let me add these words, there must also be some safeguard for shareholders and creditors. What are those safeguards? Will the superintendent of banking under the federal government have authority to go into the operations and investment portfolios of these trust companies? What is to be the effective inspection? Does this so-called deposit insurance feature of the Bank Act merely involve the payment of a fee? If that is the case, it is meaningless and will only result in an additional cost to banks under federal charter, as well trust companies, which are already subject to federal inspection and safeguard.

So far as the general public is concerned, why should we ask the banks and trust companies incorporated under federal charter to announce that they have deposit insurance? The reaction of such announcement on the part of the average depositor will be negligible. The average depositor will ask: So what is new? Under any deposit insurance scheme it is the depositor who is the consumer, not the bank or the corporation or the trust company, and he is the one who will have to pay the fraction of 1 per cent, perhaps, for the insurance. A great number of Canadians are depositors in chartered banks and trust companies, and they will have to foot this bill because they are being asked to assume an additional cost, presumably to protect those individuals who are taking their money out of chartered banks and putting it in provincially incorporated trust companies.

Another feature of this insurance is that these trust companies must apply for an insurance certificate after obtaining the consent of the government of the province in which they are incorporated. This raises the speculation that a provincial government might decide that it is going to institute its own deposit insurance scheme. In that event trust companies may prefer to carry their

insurance with the federal deposit insurance scheme for the purposes of the liability, or as a selling point as far as the public is concerned. Surely this cannot add to the efficient function of deposit insurance if there is a provincial government veto.

Much can be said about the suggested interest formula.

Mr. Sharp: Mr. Speaker, before the hon. member moves to another subject perhaps I could say that it is my intention to have the resolution preceding the Deposit Insurance Corporation bill before this house, so that it will be before us at the committee stage when we are dealing with the detailed recommendations in respect of the Bank Act.

Mr. Lambert: I thank the minister for that interjection and I trust that he has not been deemed to close this debate as a result. Perhaps a detailed discussion of this interest rate should take place in the committee, at which time we can obtain expert testimony from outsiders, and officials of the minister's department.

The government in pursuing this course has created an atmosphere which is, as the Leader of the Opposition (Mr. Diefenbaker) said, pale, pallid and fearful. A very interesting debate took place in this regard at the resolution stage. The government has now disclosed its hand and has indicated that there will be a so-called omnibus formula by which we will be able to make sure there is no unnecessary limit placed on interest. As I have said, these details should be better discussed by the finance committee.

Earlier I indicated that we should get on with our consideration of the measure now before us in order that it can be considered by the committee. A number of people have indicated to me and to other members of this house a desire for the early implementation of this act, but they suggest that in order to relieve a degree of uncertainty the rules under which the banks will operate should be made clear.

• (4:30 p.m.)

There are many people who want to obtain money. There are provisions in this bill with regard to conventional mortgages on residential properties. There is a great shortage of money in this respect; there is tight money. Certainly the banks and related major trust companies may be able to alleviate this problem. But the point is that they must have the power; and until this bill is considered and implemented no action can be taken, either by prospective builders in planning what they are going to do or by the banks in entering into commitments. Therefore, Mr. Speaker, I would reiterate what has been indicated by the Leader of the Opposition and my colleagues the hon. member for Perth, the hon. member for Northumberland and the hon. member for Kamloops, that this bill is just tinkering with the central theme of the Porter commission report. It does only a partial job. It fails to do the job that is far more important than raising the interest ceiling: It fails to take control of the monetary system of this country. For these reasons I would oppose the bill.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, unlike the Official Opposition, I and my colleagues in the New Democratic Party have changed some of our views and have modified some of the views we expressed at the resolution stage. I have no apologies to offer for stating this position. I would, on the other hand, feel that I had a great many apologies to offer if, after almost three months of very intensive study and wide ranging discussions with economists, we had not found it necessary to perhaps modify at least the emphasis that we place on certain aspects of government policy.

Partly as a result of the debate we had on inflation and partly due to the current consumer price hearings, we have found ourselves driven to consider the Bank Act and its revision in a much wider context than that in which we had formerly considered it. The inadequacy of banking legislation alone as an efficient instrument of monetary policy has become more and more clear, and the need to link it with other government policies and activities has become clearer still.

It is true enough, as the hon. member for Edmonton West (Mr. Lambert) says, that this bill must go before the committee, where it will be examined in detail and witnesses will be cross-examined, and it must then come back to the committee of the whole of this house for clause by clause discussion. There are, however, a number of definite principles involved in the bill which I think merit discussion, indeed require discussion, on second reading. I would say they were the following: the control of interest rates, the question of reserves, the matter of the control of "near banks", the question of deposit insurance, and the question of who is to operate the clearinghouse facilities in the financial system of the country. To these I would add something else which I think is very closely

related with banking policy on the part of the government, and that is what I would term their credit policies.

The more one studies the use of monetary policy, and in particular the use of interest rates, as a means of allocating resources in this country, the more he becomes convinced of its inadequacy, of its incapability to really make those sorts of allocations that most of us, I think, would wish to see. Of course, there is a very simple reason for this. There are many areas in our economy—and I have only to mention such things as housing, education, area development and those types of things—which are in the main largely unprofitable, or at least of very low and deferred profitability. As a consequence we feel that the Bank Act should be considered in the light of other government measures to be taken to offset the tendency of market forces to distort the allocation of resources, in contradiction of what would be desirable social objectives.

In dealing with the question of interest rates I think we must go far beyond the question of whether we are going to lift the 6 per cent ceiling, whether we are going to do it at once, in stages or by the particular formula that has been suggested by the minister. There are compelling arguments for the removal of the 6 per cent limit. There is no question about it, it has been a clumsy and unselective tool of control and one, moreover, that has been repeatedly evaded by the banks. To be fair to the banks, I think they have been driven to this evasion by recent developments in the financial community of Canada, the rise of the so-called "near banks." Nevertheless, it has meant in essence that the 6 per cent limit has been ineffective; that in essence, anyway, it has been incapable of doing the sort of job that requires to be done.

While, as I say, there are compelling reasons for its removal—and I have not found an economist who would dispute that statement—I have, on the other hand, found many economists who feel that in conjunction with the removal of the statutory limit the government should undertake a much wider responsibility in regard to interest rates than they have done hitherto. During the resolution stage I made somewhat the same suggestion. At that time I suggested there should be a regulatory body established to review interest rates, somewhat on the lines of other government regulatory bodies. But one result of the intensive discussions, thought and study we have had for nearly three months was that we came to the conclusion that the regulatory body idea was too clumsy and too slow of operation, and that the Bank of Canada is the logical and obvious vehicle by which this government policy can be implemented.

You may ask: Just what would be the mechanism by which the Bank of Canada would exercise these new responsibilities? There are various ways in which it could be done. One might perhaps follow the example of the United States which has quite recently, within the last week or so, established controls at the other end of the interest ladder. They have established controls over the amount of interest that lending institutions might pay to attract depositors, with the idea—and I imagine it may very well be a successful idea—of thus limiting the amount they would be capable of charging for the loans they make to customers. However, I have no doubt whatever that there are a number of mechanisms that could be devised whereby the central bank could exercise the function of controlling interest rates throughout the economy.

We take this position because there seems no doubt whatever that if we are simply going to remove the interest rate from the banks we are inviting a sort of jungle warfare of interest rates to the great detriment of the Canadian economy. It seems to me to be far too simple a solution to a very complex and difficult situation, because there has grown up alongside the chartered banks a whole bevy of new banking institutions—I think that is the correct way in which to describe them—which are outside government regulations. The government take the position that to solve this problem, or at least to promote the idea of equity of treatment, it will remove the controls over the chartered banks so they will be, on that score at any rate, on an even footing with the "near banks". This to us seems to be a counsel of irresponsibility and that, rather than do that, the government should remove the present statutory lending limits and make the banks and all other lending institutions in the country subject to central bank control in respect of interest rates.

• (4:40 p.m.)

I want to come back again, Mr. Speaker, to the necessity of the government at the same time taking some other steps to control the marked distortion of credit which has been such a prominent feature in recent months of the Canadian economy. We had a witness

before the committee the other day who took the position that any rectification of wealth distribution or allocation of resources in this country should be effected, not by means of controlling selective controls, such as interest rates, but rather by more positive action on the part of the government, such as the use of agencies it now has. I suggest there should be perhaps one or more new agencies established for the funnelling of credit and funds into those areas which the government in its wisdom, and parliament in its wisdom, consider require special treatment. I have suggested some of them such as housing, education and area development.

I would add to that the possibility of establishing an agency to deal with some of the needs of provinces and municipalities, various local government bodies, in the provision of funds to them at interest rates that would be far below anything the market would provide, far below anything that would be reasonable for the Bank of Canada to establish as a general interest rate. These, I think, are equally important to the problem of controlling the interest rates of the chartered banks.

Now, with regard to the control of the "near banks", we feel it is essential that they should be brought under federal control. We feel that in conjunction with the federal control of interest rates, the minister's suggestion of deposit insurance is probably the best way of bringing them under federal control. I think we should not delude ourselves that because these institutions are not called banks, they are not actually banks. I take it that most people would agree that a suitable definition of a bank would be an institution which accepted deposits and which granted to its depositors chequing privileges.

In connection with this, I would suggest another means by which the "near banks" could be brought under federal control. I think the Porter commission recommended it in toto, but if not I would suggest that the operation of the clearinghouse should be removed from the control of the Bankers' Association and again placed in the hands of the central bank or an agency of the central bank. In that way, we can be sure that each financial institution which desires to offer chequing privileges, each financial institution that desires to receive the benefit of deposit insurance, will be obliged to submit itself to government inspection and to government regulation.

The hon. member for Edmonton West doubted the capacity of the inspector general

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

of banks to undertake the sort of inspection the minister has suggested. I, myself, cannot see any particular difficulty involved in this. I do not have the idea that the inspector general of banks goes around inspectnig every bank himself. He has a staff. I presume it is not beyond the capacity of Canada or this government to increase that staff to the necessary size for the sort of inspection of which the minister spoke.

I would go further on this question of insurance, and this has always been a favourite thought of mine with regard to our economy. If the government is going to establish a corporation that would provide insurance on deposits in lending institutions, then I see no reason why its powers should be necessarily severely and for all time limited to that field of insurance. Here, it seems to me perhaps the government might find itself making the first, timid step toward the development of a government insurance system in this country. This might very well solve some of the problems we face with regard to the allocation of resources in our economy.

Now, with regard to reserves, I imagine few people would quarrel with the statement that so far as the original purpose of establishing bank reserves is concerned, which was presumably to protect depositors, that role for reserves is pretty well gone. No one, I think, seriously imagines that a chartered bank in Canada is going to collapse. It is many years now since one did collapse. The reason, of course, that they are safe from collapse is that they automatically come to the rescue of each other when it is necessary to do so. This is quite right, and should be done.

There is a role, however, for reserves, and that is in regard to the regulation of the total money supply. It has not been used, within my knowledge, to any great extent within recent memory, but it is always a weapon in the hands of the central banks if other methods of controlling total money supply should fail or falter. We feel the Bank of Canada should have much wider powers with regard to the control of reserves than is suggested in the minister's bill. It should be entirely at the discretion of the central bank to decide what reserves should be at any one particular point. If it is going to be used as an instrument of monetary policy, and that really is its only function now to help control money supply, then the central bank needs to be able to act much more quickly than is envisaged in the minister's bill.

I would agree with the minister on one thing. If we are retaining the reserves, then there should be complete public disclosure of their volume and nature. No longer should we allow these things to be hidden behind some veil of secrecy, in the so-called public interest. The public has a right to know how much the banks are making and what it is costing the people of Canada to maintain their very efficient banking system. These things should not be left in the midst of speculation.

Now, I want to return, Mr. Speaker, to the suggestions I made in connection with the elimination of the 6 per cent interest rate. I make this quite clear to the house. While the members of the New Democratic Party feel that in all intelligence and logic the removal of the 6 per cent blanket interest ceiling on the chartered banks should be removed, and there is no rational economic argument for retaining it, nevertheless we are not prepared to support that removal unless the government is prepared to take these ancillary actions; unless it is prepared to enter much more widely and much more effectively into the whole region of interest control than it has done in the past, to take responsibility for levels of interest in this country; unless it is at the same time prepared to make these changes in the fiscal and taxation structure that will require a greatly increased incursion of government into the field of funnelling credit into those areas of the economy which are now starved by market conditions.

We feel that such agencies as the Central Mortgage and Housing Corporation, the Industrial Development Bank, the Farm Credit Corporation, to name but a few of them, must be strengthened financially and their scope very greatly enlarged. We realize, of course, that to do this effectively the government must get into its hands sufficient funds in order to carry out such a program. This, in turn will require very careful scrutiny of our taxation structure, such as has been made by the Carter commission. We hope that commission's report will be available to us before too long. Unless the government is prepared to take these other steps for the control of interest rates, this party does not feel it can support the mere blanket removal of the ceiling of 6 per cent on bank loans.

• (4:50 p.m.)

I would hope that at some time or other before the conclusion of this debate, and prior to our voting on the matter, the minister might indicate whether the government was prepared to undertake this control of interest rates throughout the economy. Otherwise, I am afraid, Mr. Speaker, that we shall have to take steps to make perfectly clear our opposition to the mere removal of the 6 per cent rate, and then let the jungle warfare start. Because that, of course, is what is going to happen. No one can convince me, and I am sure nobody would be able to convince any of the economists to whom I have spoken, that the removal of the 6 per cent ceiling, without some compensating action on the part of the government, will have any effect whatever except that of letting loose a battle of interest rates that may well be disastrous for our economy.

I would hope that when the bill comes before the standing committee on finance, trade and economic affairs we might get an answer to many of the questions that I and others have raised; that we might have a rather clearer idea of just how the central bank intends to operate; that we might have witnesses from the chartered banks whom we can question on some of the aspects of their operations.

I have always felt, Mr. Speaker, that the revision of the Bank Act provides an opportunity once every ten years to give a quick educational seminar course to members of the House of Commons, which is much required. In fact, I think there might be some ground for suggesting that for this purpose we should have one every year. Anything that will expand our knowledge of this extremely complex and intricate subject is to be desired.

Mr. Knowles: It is almost 13 years this time.

Mr. Cameron (Nanaimo-Cowichan-The Islands): As my colleague from Winnipeg North Centre (Mr. Knowles) says, it is almost 13 years this time. The banks will be getting used to running with worn-out charters, if we do not look out.

I think that is all I have to say at the present time, Mr. Speaker, except to reiterate our conviction in this party that the Bank Act must not be considered in isolation; that if we do so, then we may very well go down some blind alleys. More and more in the modern world we are finding that each of the economic factors in our society is linked to all the others, and that the banking system in particular is linked to each one of them. We cannot move in the banking area without affecting every other area of the economy.

I would hope, Mr. Speaker, that the government is not suffering from any delusion that by altering the Bank Act it will control the economy in the interest of the Canadian people in any effective way. It must at the same time take these additional steps in order to enable the financial institutions of Canada to serve the purposes of an expanding policy, to serve the purposes of a juster and wiser allocation of resources, and to serve also as a measure of redistribution of the wealth of this country. Because these must be the goals to which all of our economic policies are devoted—the curing of maldistribution of wealth and the curing of the misallocation of resources.

The banking system and the related financial institutions of this country, which we now hope will be brought within one integrated whole, are one of the means by which we can achieve these two objectives of eliminating the maldistribution of wealth—or at least ameliorating it—and eliminating the gross misallocation of resources, which today to my mind has given rise to the false idea that the Canadian people have reached the limit of their capacities in the production of wealth, goods and services for their own satisfaction.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I have listened to and read over the statement given by the Minister of Finance (Mr. Sharp). I have also listened to the hon. member for Edmonton West (Mr. Lambert), and just before rising to take the floor on this subject I listened to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), who today I found very interesting. He specifically stipulated at the beginning of his remarks that during the past three or four months he had reconsidered and reappraised the situation and had modified some of the former positions he had taken, something I am very glad to hear. He was the major speaker on this bill when it was brought before the house for first reading.

I am sorry to say that the hon. member for Edmonton West is still on the old bandwagon. It has very faded colours now and has lost some of its tires, and in a few years time it will probably still be working with the same broken spokes. The reason we never arrive at any solutions to some of the problems facing us today is that we have never dared do anything new in this field. Progress has been made and the Canadian people have been developing the country, but in the financial

field this progress in science, and these developments have preserved their status quo. This, Mr. Speaker, can only be a handicap and prevent our economic advancement in the over-all picture.

I told the minister, Mr. Speaker, when I took part in the debate on inflation, and also when the bill came before the house for first reading, that I would take the opportunity to speak only briefly on second reading, but that in the committee stage I, and also some of my colleagues and other members, intended to discuss thoroughly each clause of the bill, and all the connotations. I can say today that a great many questions will be asked in cross-examination.

When we were discussing inflation and the rise in the cost of living, about which the house is very worried, I distinctly remember saying to the Minister of Finance that if we were to take measures to halt the rising cost of living we would have to apply them across the board, not only at the production and salary levels but also at the interest level.

May I call it five o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Rinfret): Order. It being five o'clock, the house will now proceed to the consideration of private members' business.

• (5:00 p.m.)

[*English*]

AIR TRANSPORT

SUGGESTION TO REFUSE LICENSING OF INSURANCE VENDING MACHINES

Mr. Ron Basford (Vancouver-Burrard) moved:

That, in the opinion of this House, the government should give consideration to the advisability of amending the government airport concession operations regulations to provide, by virtue of its power to regulate the performance of any service for persons on the airport, that no licence be granted by Her Majesty in Right of Canada for the operation of insurance vending machines.

He said: Mr. Speaker, this resolution, in short, calls on the Government of Canada to give consideration to amending the airport concession operations regulations to prohibit in air terminals, all of which are run by the Government of Canada through the Department of Transport, what we see in every air terminal, namely air flight insurance vending machines.

This resolution is introduced by myself on behalf of the air line pilots, engineers, cabin attendants, and stewardesses who must board their aircraft knowing that the danger of

bombing and sabotage exists. This danger, Mr. Speaker, is very real. There have been, in the last 20 years, at least 15 cases of sabotage involving some 230 lives. Most of the cases on this continent have involved flight insurance.

As one Canadian pilot said in a recent article on this subject:

> It galls me that here is one factor that could take my life and the lives of the people sitting behind me . . .
>
> The link between flight insurance and plane sabotage has been well documented. It's the only kind of insurance where you can buy it and commit suicide an hour later in the hope of securing a payoff. There's no justification for its being sold at airports. If a man thinks his life is worth $100,000, he should insure it for that amount 365 days a year. This Russian roulette kind of insurance is simply an invitation to aircraft bombings.

That pilot has good reason to complain. He knows that when he leaves on one of his flights everything has been done to make the trip safe for himself, his crew and his passengers. But when he walks through the air terminal building he can see a flight insurance counter, and the vending machines where one can buy up to $300,000 in air trip insurance, with no questions asked. He knows anyone ready to blow up a plane could make a tempting profit from those machines.

The Air Line Pilots Association in the United States established a committee on air line sabotage and reported the following:

> Incidents of this nature have ranged from crude attempts on the part of crazed individuals to highly sophisticated programs, well planned and well executed. Motivation has run the gamut from no apparent motivation at all through the range of sexual gratification, desire for notoriety, murder, and financial gain.

Also:

> Financial gain has figured consistently and prominently in aircraft sabotage; insurance has been by far the most prevalent, if not the only common denominator, and the predominent insurance vehicle used has been airport vended insurance.

Following normal or standard practice in accident prevention, it would seem logical, to me, that we should try to eliminate those things which investigations show have caused or contributed to the cause of these accidents. There is no reason why this principle should not be applied to reducing aeroplane sabotage. Since a large number of sabotage cases are connected with airport vending machine insurance, and with airport insurance counters, it would then seem logical that they should be removed, as they are believed to be the principal causative factor in aeroplane sabotage.

There are numerous examples of sabotage for financial gain. I do not want to bore the house with enumerating all the cases, but no doubt hon. members will recall the case on September 9, 1949, of John Albert Guay, a 31-year-old Quebec city jeweller, who put his wife, along with a time bomb, on board a DC-3. Because the aircraft left a few minutes early we know what happened. If the flight had left on time the crash would have occurred over the Gulf of St. Lawrence, no one would have discovered the cause of the disaster, and Guay would have collected the $10,000 flight insurance he had bought for his wife. Instead the aircraft crashed over dry land and Guay and his two accomplices were hanged.

There is the case of John Graham who was hanged for killing his mother, along with 43 others, on board a DC-6B at Longmont, Colorado, on November 1, 1965. He had put a Christmas package made up of 20 sticks of dynamite in her suitcase before he saw her aboard the aircraft. His motive for murder was probably the $75,000 share of his mother's estate, but his motive for aircraft sabotage was the $35,700 flight insurance which he had bought his mother just before she boarded the aircraft—a nice Christmas present.

A unique case, as far as air line sabotage is concerned—because all the passengers on board lived to tell about it—occurred on July 25, 1957. On that date S. F. Bintock, a 62 year old retired Hollywood jeweller boarded a Western Airlines Convair bound for Los Angeles from Las Vegas. He carried with him dynamite and blasting caps, as his plan was to destroy himself along with the other passengers on board. A few hours earlier he had bought two $62,500 flight insurance policies payable to his wife. Fifteen minutes after takeoff Bintock got up and went to the washroom. A passenger was just about to report his prolonged absence when a violent blast shook the aircraft. Crew members rushing to the washroom found a seven-foot hole blasted in its outer wall. Fortunately the pilot was able to land the aircraft without difficulty. Bintock's body minus the left hand was later discovered on the ground.

What kind of man would kill scores of innocent people, just to increase his estate? Dr. Harley Wideman, a Toronto psychologist, feels that he is one who, although driven to kill himself, is still anxious to provide for his family and to spare them the embarrassment of suicide. In achieving this end he does not

care if others must die with him. To quote Dr. Wideman:

> It's quite possible for a man to be very indifferent to the fate of those around him and at the same time be concerned with the welfare of his family who are extensions of himself.

Let me give you another illustration. On the night of May 7, 1964, 44 people died when a passenger shot the pilot and the co-pilot of a Pacific Airlines aircraft. The passenger was later found to be a Frank Gonzales who had recently lost heavily on the gambling tables at Reno. Before boarding the aircraft he bought the pistol along with $105,000 in flight insurance payable to his wife.

George Armstrong, Canadian General Manager of Continental Insurance put the problem of air, or of flight insurance, this way:

> Eliminating flight insurance won't eliminate the problem of sabotage. I'm not going to say it won't reduce it, but what reduction would you get when there have only been 15 sabotage cases in 20 years? We live in a dangerous world. Certain risks have to be taken for the benefit of the masses.

It is not, of course, the insurance companies that are really taking the risks. It is the people flying on the aeroplanes. And, while we might live in a dangerous world, I see no reason why we should not do something to decrease any danger, as much as we can.

There is a story about a Mr. Jones who flew everywhere and who developed a certain anxiety neurosis about suicide and insurance plot bombs. He asked a statistician friend what his odds were of being killed in an aircraft bombing. "About 850,000 to one, against", was the reply. "Not good enough," moaned the neurotic. "I fly three or four times a week." "Well," said the statistician, checking his slide rule, "take a bomb along with you and you will be all right". "Are you absolutely mad?", cried Jones. "Certainly not," replied the statistician, "your odds against flying in an aircraft with two bombs aboard are something over a billion to one."

• (5:10 p.m.)

Surely, that is the theory put forward by Mr. Armstrong and by the insurance companies. There is no reason why we should put temptation to commit murder and suicide before the public. It would be simple to remove the counters and vending machines from our airports. The Department of Transport, which operates the airports, need only cease to rent the space to the insurance companies. In 1965 two companies issued premiums to the value of $1,100,000. They pay the Department of Transport 13 per cent of their gross, whereas United States airports take as much as 60 per cent. These rentals amounted in Canada to $158,000 in 1965. That does not even cover the cost of one crash investigation, according to the civil aviation director of the Department of Transport.

I am not against travel insurance itself. I have no objection to a man, anxious about travelling, obtaining travel insurance through his regular insurance agent. The agent either knows him or can have an investigation made concerning him.

The potential saboteur knows that if he buys a policy beyond his means, or if death occurs soon after he has taken one out, questions will be raised. It is true that other insurance policies allow a would-be murderer, or someone bent on self-destruction to fake a car accident or something similar; but only flight insurance is tailored to mass murder.

Airport trip insurance, because of its nature, offers temptation to unstable people. It has been described as an invitation to maniacs, because of the incentive it affords. There are several reasons for its inherent danger. It is easily accessible to anyone, regardless of his mental or emotional condition; its acquisition requires only a handful of loose change, making it an attractive gamble; it can be purchased on the spur of the moment; it can be purchased in virtual anonymity; it lacks the screening safeguards normally associated with the sale of other types of insurance.

The problems associated with the sale of insurance at airports do not arise with regard to other forms of travel insurance. A bomb placed aboard a train or ship is not likely to kill everyone on board, as a bomb which explodes in a plane is likely to do. The fact that policies are uncollectable if it is the purchaser who is responsible for death is not a deterrent. Anyone who plans to destroy a plane does so in the hope that his crime will go undetected, because of the very nature of air travel. That is, the murderer must rely on a complete destruction of the aircraft along with the death of everyone on board to prevent his crime being discovered.

A former United States federal aviation agency administrator has called flight insurance a "gyp". The odds against being killed in an air crash in Canada are 276,000 to one. Flight insurance pays off at 30,000 to one, or only a tenth of the true odds.

Accidental death and double indemnity policies, which are more normal, pay off at about half the true odds. True they are more

expensive—$35 a year for $30,000 coverage—but they are payable for any accidental death, the chances of which are one in 1,755 per year, compared to one in 276,000 for a plane trip.

Economics professor Dr. Robert Easnir of Northwestern University claims that the purchaser of air accident insurance has tended on the average to pay four to five dollars in premiums for every one dollar paid out. Flight insurance therefore has a loss ratio, that is, a percentage of premiums paid out in benefits, amounting to only 25 per cent compared with the average in the industry of 70 per cent.

Of the 403 people killed in Canada in the last 20 years, only 40 held flight insurance. Twenty two people were needlessly killed in the Guay case alone. In other words, 22 died so that the estates of 40 others might be fattened by flight insurance.

It has been proven that air travel is the safest way to travel. The danger to passengers is greater on a train, in a bus or in the family car. But insurance is not sold at railway or bus terminals or at wayside gas stations. Why, then, should insurance be sold at airports? There is no reason for it. Flight insurance is unnecessary and merely pampers the fear some people have about flying.

The danger of flight insurance has been examined on many occasions. In 1962 a United States committee of aviation officials, air line representatives and insurance executives noted that in five accident cases which they studied the desire to profit from flight insurance was the predominant motive. Many of the air line staff associations have passed resolutions on the subject, including the International Federation of Air Line Pilots Association meeting in March, 1965 in the United States. Bills have been introduced in the United States Senate having the same purpose as the resolution which I have brought before the house this afternoon.

The whole subject is being studied by the Canadian Bar Association's air law sub-committee; it is being studied by the Canadian Coroners Association, which is equally concerned about the connection between trip insurance and sabotage. I suggest that the parliament of Canada should also be concerned. I hope this resolution will be passed today, so that there can be consideration in Canada of the vital safety issue involved in the machine vending of flight insurance.

Mr. Clancy: May I ask a question? Did the hon. member say that railway companies do not offer trip insurance?

Mr. Basford: I believe they do, but the display of insurance counters and vending machines in railway stations is certainly not as obvious as it is in air terminals.

Mr. Clancy: It is available.

Mr. Barry Mather (New Westminster): My main point in rising today is to congratulate the hon. member for Vancouver-Burrard on having brought this important matter to the attention of the house and therefore, we hope, to that of the country. I think his observations are most timely, and they may become even more timely as these tragic accidents continue to occur.

To me, the present "punch board" method of selling flight insurance at airports is something which calls for a hard second look. Apart altogether from the method of selling this insurance, I think we might well consider the type of insurance which is marketed. It is now possible for a person to purchase a large amount of insurance on the life of a person who is not even related to him. I think it would be a safety factor if there were a provison that persons outside the immediate family of the purchaser could not be insured.

I suggest, also, that instead of the fantastic sums of money for which purchasers can insure other people's lives, a reasonable amount should be made available to the survivors—the family—together with something by way of a monthly income to replace the lost breadwinner's earnings.

• (5:20 p.m.)

This whole subject is one of very real public interest, and rather than see the notice of motion talked out I shall conclude by urging hon. members to refer the matter to a committee, such as the committee on justice and legal affairs, where a study in depth can be made of it.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I wish to congratulate the mover of this notice of motion for bringing to public attention a matter which certainly should be of concern to parliament, and which is of real concern to pilots and others who work on our air lines. Too often matters such as this are buried by being talked out, but I hope this will not meet that fate but will be referred to a committee where the subject can be fully explored.

Suggested Removal of Flight Insurance

As is often the case, this motion proposed by the hon. member for Vancouver-Burrard (Mr. Basford) in itself does not adequately cover the problem. The purpose of notices of motions is to bring matters to public attention and encourage discussion of them. That is what I hope this notice of motion will do.

Much of what the hon. member said applies to air trip insurance. Although I understand that there may be a certain extra attraction offered by slot machine insurance to a deranged mind, I believe consideration of the problem should include air trip insurance generally.

Although the hon. member referred to studies being conducted elsewhere, and to bills which have been introduced in the United States Congress, I believe remarkably little consideration has been given to the problem. The Canadian Bar Association discussed it at some length at its annual meeting in 1965, but reached no conclusions. I understand the consensus was that a full study should be made by the association's air law provincial subcommittees, but so far as I am aware no report has been produced leading to any specific recommendation from the association.

The bills which have been presented in the United States Congress seem to be pretty much in a deep freeze. I understand three identical bills have been introduced in the House of Representatives. I believe they would void all contracts of insurance covering loss of life or personal injury which purport to limit coverage to a specific trip. One bill would reduce the amount of flight insurance which passengers could purchase at airports, and limit the liability of insurance vendors to a maximum of $50,000 for the death of each passenger. However, none of these bills is likely to be discussed in detail in the near future. All have been referred to the house committee on commerce, but no hearings have been scheduled on any of them.

One reason may be that the federal aviation agency of the United States government conducted a detailed study of air line sabotage about a year ago, and reached the conclusion that air line saboteurs are beyond the reach of any reasonable approach and the removal of airport insurance vending machines would not achieve the purpose intended. It also concluded that the profit motive is universally recognized as one of the causative factors in sabotage, as it is in homicide generally. Air trip insurance has been a factor in some of the air line sabotage cases which have occurred in the United States.

Another conclusion was that normal insurance coverage should not be suspended during air line flights. This would be unreasonable because insurance is a definite benefit to survivors of air crash victims, whose interests would not be served by a flat exclusion rule.

A third conclusion was that air trip insurance should not be eliminated, nor should the sale of insurance at airports be limited. The agency noted that sabotage usually required prior planning, and the sale of insurance at airports would not be a major factor in such prior planning. It concluded that there was no evidence that past sabotage would not have occurred but for insurance, or that future sabotage would be eliminated or diminished by the abolition or curtailment of insurance. It reasoned that the insurance benefits outweighed the speculation that sabotage might be curtailed or lessened by restrictions on, or the abolition of, insurance.

It also decided that the amount of trip insurance available to each individual should not be limited, and that the ready availability of other types of insurance made the value of such limitation highly speculative.

Clearly, Mr. Speaker, the latest advice given to the United States government is that the suspension of air trip insurance is not to be recommended. However, I do not think we should rely on that. I believe the Canadian parliament should receive the advice of responsible authorities in this country, including the advice of the coroners, of the Canadian Bar Association, and of all groups who have indicated a concern with this matter. The most appropriate way of getting this advice would be through the standing committee on justice and legal affairs.

I hope the subject matter of this notice of motion will be referred to that committee. I also hope that committee will go into the matter thoroughly, dealing not only with the question of the sale of insurance through vending machines at airports, but with all air trip insurance and its effect on air line sabotage. I support the intent of the motion to stimulate the most far-reaching discussion and consideration of the problem and I hope it will receive that kind of study in committee.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I would like to join with other hon. members in congratulating the hon.

member for Vancouver-Burrard (Mr. Basford) on introducing this notice of motion. Like other hon. members I hope it sparks a certain amount of public discussion of a serious problem, but I for one remain to be convinced that it is as serious a problem as has been suggested by some speakers to day. I think it would be a great injustice to a great many people who travel by air if this type of insurance were removed from easy access.

• (5:30 p.m.)

Members of parliament, for example, do a great deal of travelling, particularly those on the west coast, as the hon. member for Vancouver-Burrard (Mr. Basford), no doubt is aware, and if we were not able to buy this type of insurance it would then be necessary for us to go to an agent to obtain it. The rates of these agents would be very high, simply because the insurance rates would be based upon the number of miles flown and on the number of trips we take in areas where the incidence of accident is high. I think it would be an imposition if this method of buying insurance were removed from the airports. By this method people who make occasional trips and who feel queasy, who are not familiar with flying, who are not convinced it is the best way, but find themselves in the position of having to fly, are in a position to protect their families in case of accident.

The accident rate for air lines is very low. I am told that flying is the safest way to travel. We are entering into a new era of subsonic and supersonic transportation. We hear that the jumbo jets will be with us in 1971, and we understand that supersonic jet travel will be available shortly thereafter. So, these new methods of flying, combined with the phenomenal increase in air line passenger and freight traffic create a certain difficulty with respect to our airports, overcrowding of the skys and overcrowding of terminal facilities. Even though the air lines so far have maintained an excellent record of safety, I think we also have to be aware that with the projected increases and the overcrowding that is taking place in the skies today, the incidence of legitimate accidents quite possibly will rise and that this ability to buy insurance over the counter at airports is convenient and is something the removal of which I think we should consider very carefully. Whether or not this opportunity for benefit should be removed because of fears, legitimate or otherwise, of the possibility of someone killing his wife with a bomb in an airplane, I am not prepared to say at this time; I have not made up my mind.

But there are arguments on the other side. Certainly the danger of this sort of thing happening in the supersonic pressurized aircraft we have today is of a different order than when we were flying in the DC-4's and 6's which were not pressurized. A small bullethole in a pressurized cabin at 45,000 feet has a strong possibility of being fatal, but the same accident in the old aircraft was not quite as dangerous. The hon. member who introduced this gave us the example of the fellow who blew out the wall in the washroom. He stated that in a DC-8 or 9 there would have been a fatality; the whole plane would have cracked up simply because of the type of aircraft construction being used.

The other point to which I would offer a certain amount of objection is that of motive. I do not think all crimes are committed as a result of a greed for money. There are other motives. You may want to get rid of your wife or she may want to get rid of you, and this would be an opportunity. You might want to get rid of somebody else on the aircraft. Money is not the only motive. I think human nature is much more complex than is suggested by those who put forth the example of the economic man.

The second point is that in the description given by the hon. member these are the people who do these things. I think his argument fails when one recognizes the fact that their motive is not necessarily money. My feeling is that money is only incidental. Like most people who take a flight and feel queasy, who find the sky not as quiet as they would have like it, and who, before they step into the aircraft, invest a half a dollar in insurance, the person who plants a bomb in the aircraft also walks up and puts 50 cents in the machine. But I do not think that is the main motive.

As I said before, the air lines have a very good record of safety and efficiency. In the annual report of Air Canada for 1965 percentage statistics are given. I should like to read some of these into the record, because they indicate in one sector the improvement in service as well as the great number of passengers carried. In the last year, 1965, Air Canada carried 4,753,395 passengers on scheduled and charter services. This is an increase of 13 per cent in 1965 over 1964. As a matter of fact the actual increase in the

number of passengers carried exceeded Air Canada's expectations rather substantially. They were caught in many cases and are being caught today at peak periods, as I am sure hon. members who have tried to get out of Ottawa have found.

The Air Canada report goes on to suggest the situation was general throughout the industry and that all major air carriers faced this problem. Total seat miles for Air Canada were 5,458 million, an increase of 18 per cent, while revenue passenger miles flown exceeded 3,542 million, an increase of 21 per cent. The interesting statistic is that the passenger load rose from 63 per cent in 1964 to 65 per cent in 1965. Then, a few pages later appears a rather interesting statement:

> The air line completed 98 per cent of its scheduled mileage, maintaining its world-wide reputation for operating reliability. The credit is shared by the aircraft and the highly qualified employees who maintained, serviced and operated them.

I gather that the 2 per cent difference between perfection and the actual showing was due to cancellations because of bad weather and not because of accidents or sabotage.

The argument in the motion as put forward by the hon. member for Vancouver-Burrard is that the type of person who indulges in this sabotage has a monetary motive. I think the reaction of the committees which have looked into this situation has been that money is not the prime motive and that the removal of these things would not provide a deterrent to potential saboteurs.

• (5:40 p.m.)

The second point, obviously, is that this is not the only source of insurance. It seems to me that if anybody is going to blow up an aircraft with dynamite or some other explosive, there is a good deal of planning which has to go into it; it is not something which is done on the spur of the moment. This requires a certain amount of initiative, planning and foresight, and perhaps a certain amount of nerve. We probably are not aware of the number of times that such an act of sabotage has been planned, and abandoned at the last moment because of a lack of courage.

By removing these machines from airports I do not think it will logically follow that such attempts will cease; but I feel that if we do that, other types of air transportation insurance should also be banned, whether the aircraft is transporting passengers or goods. Such a step I believe would be unreasonable, because by banning the issuing of insurance for transportation you cannot prevent such acts from taking place.

Mr. Schreyer: Would the hon. gentleman permit a question?

Mr. Reid: Certainly.

Mr. Schreyer: Would the hon. gentleman differentiate between airport counter flight insurance sales and insurance dispensed by machine? Does he not agree that there is a great difference? After all, what is really being expressed by this bill is a request that we consider the desirability of banning insurance vending machines for the reasons suggested.

Mr. Reid: I do not think there is an appreciable difference between going to a counter where there is a young lady, often very pretty, selling insurance, and buying insurance from a vending machine. I can obtain the same insurance from a girl at a counter as I can obtain from a machine. It is actually what is being sold and the circumstances of the sale to which I object. There is a warm, human and personal touch when one buys insurance at a counter as opposed to the impersonal efficiency of the machine. My point is that if you ban the sale of air transport insurance by a girl at a counter or by a machine at an airport, then you should go to the logical extreme of banning entirely this type of insurance in order that people will not resort to the type of sabotage under discussion.

It is my opinion that a great deal of planning and ingenuity must take place before anyone plans the destruction of an aircraft in order to obtain insurance, and that denying travellers the right to purchase insurance against accidents will not change the mind of an individual who intends to cause one.

I am in full agreement with the thought which has been expressed, that this subject should be referred to a committee of this house for deeper consideration and study. Most of the arguments that were presented in this regard were one-sidedly in favour of this suggestion, and I am trying to present the other side, so to speak.

It is my hope that it will be possible for the Minister of Justice (Mr. Cardin) or the

Solicitor General (Mr. Pennell) to consider seriously the subject matter of this bill, particularly with regard to possible amendments, before it is sent to a committee, so that the subject can quite properly be investigated by the experts.

One of our problems in the House of Commons in discussing certain matters, keeping in mind our duties as members, is that we never have time to research these matters to the depth they deserve. A great many Canadians are travelling more and more by air, and for this reason this subject needs a great deal of investigation.

In recent days we observed the adoption by the United States authorities of greater safety features in automobiles. I believe this is long overdue, and that it will result in a substantial improvement in our automobiles in the next few years. The same situation in the matter of safety features does not exist in respect of the manufacture of aircraft. I cannot think of any aircraft accident in recent years due to a mechanical failure, and this is a very happy and satisfactory situation.

My belief is that a committee set up by the government or a government department should make an investigation into this whole matter relating to the growing risks of air travel. The proposed narrowing of air lanes from 120 miles to 90 miles recently received publicity. This has been referred to by experts, and particularly by pilots who fly these aircraft, as something that should be investigated. I am not sure that any government department is looking into this situation with any thoroughness. The supersonic age will be upon us in full force within the next six years and I am wondering whether or not a government department in Canada should look into this matter of urgency.

In conclusion I should like to make a plea to the Minister of Justice, the Solicitor General, or the authority under whose jurisdiction this subject should fall, to give serious consideration to sending this whole matter to an appropriate committee in order that we can make a complete investigation.

Mr. H. W. Herridge (Kootenay West): First of all I should like to congratulate the sponsor of this resolution for the obvious interest and study that he has given to this problem that faces the travelling public at this time. I refer to the purchase of insurance at airports as opposed to the purchase of insurance on a slot machine basis.

There is great merit in the suggestion contained in this resolution. I am not personally acquainted with all the ramifications of this subject, but I feel it would be a good idea to send it to an appropriate committee for consideration. Surely there are arguments for an against this motion, but it envisages something which should be considered further.

I heard many individuals discuss this whole question before the bill was placed on the order paper, many of whom had purchased transportation insurance on the slot machine basis. The hon. member who spoke before me suggested, in respect of other methods of selling transportation insurance, that there was no investigation made as to the character or reputation of the purchaser. It may be that as a result of a thorough study of this subject some method of investigation could be devised whereby a person seeking insurance could be checked as to character and reputation.

I know an M.P. who quite recently went overseas. All he was required to do to purchase insurance on this basis was sign a form. I am sure the vendors of this type of insurance would consider a member of parliament to be a reasonably responsible person, although on occasion I have doubts about that. But surely there should be some kind of investigation, regardless of who is applying for insurance.

I congratulate the sponsor of this resolution for bringing its subject matter to the attention of the house, and I trust it will be considered by an appropriate committee. The result of such a study might be a recommendation to the house requiring the sale of this type of insurance to be made under circumstances which could prevent the occurrence of those things mentioned in the motion.

• (5:50 p.m.)

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this is another of those resolutions that could not possibly be adequately discussed, with all its ramifications, in the one hour allotted by the rules of the House of Commons. It is an extremely important resolution and should be given further study by members of the house.

As a traveller who has flown many, many, thousands of miles on our air lines since the end of the last war, I find myself deeply concerned about the problem of sabotage on aircraft. I have never, on entering an airplane, had any real concern about the ability

of the man in charge, the pilot, at the front end of the aircraft. As a matter of fact, I think it would be safe to say that I have flown many thousands of miles in the mountains of British Columbia when the pilot has found it safer, if you can conceive of this prospect, to stay down, even with a two-engined or four-engined plane in the mountain regions—that is to say, down in the river gorges—rather than up through a cloud bank and over the peaks of the mountains, because of the difficulty of returning to that height and the scheduled air route.

The pilot is the man in charge, and I have had no concern when this has happened because I have known that quite often he was a younger man than I and perhaps had more to live for than I had. But it now becomes a matter of great concern to the air line pilots themselves. When the Canadian Pacific Airlines plane went down in northern British Columbia—and I would say here, Mr. Speaker, that Canadian Pacific Airlines have an excellent record in flying the mountain regions and have not had any serious accident as a result of pilot error—investigations showed that there was some evidence of explosives having been placed on the plane. Immediately upon the report of that investigation the air line pilots issued a statement suggesting that there should be a law in Canada, and of course elsewhere, to provide that trip insurance should not be sold at airports. I do not recall that they singled out vending machines. I believe the concern of the air line pilot is the fact that trip insurance is available; that is, that anyone may determine to purchase insurance that gives an extreme rate of return for a very small investment. This is their chief concern.

Therefore, Mr. Speaker, I feel that this resolution really does not go far enough. It may be regrettable that some of the pretty girls referred to by the hon. member for Kenora-Rainy River (Mr. Reid) would no longer be employed at our airports. But I am sure that with their ability and recognized good looks they would have no difficulty in obtaining employment with the car rental companies, and so on. We should have no real concern in this respect. The air line pilots are really concerned about this problem and I believe the public should become concerned about it. I think that people who are not adequately insured should not attempt to drive on the Queensway in Ottawa this afternoon between four o'clock and six o'clock. I feel that one needs to pay a higher rate of insurance on that pilgrimage than he does when travelling on the air lines of Canada today.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, if I could obtain the unanimous consent of the house I would move, seconded by the parliamentary secretary to the Minister of Transport:

That the subject matter of the proposed resolution—

The Acting Speaker (Mr. Rinfret): Order. Has the minister the unanimous consent of the house to move this motion?

Mr. Starr: We have not heard all the motion, Mr. Speaker. I think we should hear the motion and then concur in it or otherwise.

Mr. Pennell: The motion, Mr. Speaker, would be:

That the subject matter of the proposed resolution now being considered by the house be referred to the standing committee on justice and legal affairs for consideration thereof.

Mr. Starr: Agreed.

Some hon. Members: Agreed.

Mr. Pennell: If I have the unanimous consent of the house, Mr. Speaker, I would so move, seconded by the parliamentary secretary.

Mr. Knowles: He has already spoken. Should not somebody else second the motion? I will.

Mr. Pennell: Then the motion is seconded by the hon. member for Spadina (Mr. Ryan).

The Acting Speaker (Mr. Rinfret): Does the minister have the unanimous consent of the house to move the motion?

Some hon. Members: Agreed.

Mr. Pennell: I so move, Mr. Speaker.

Motion agreed to.

The Acting Speaker (Mr. Rinfret): The hour provided for the consideration of private members business has now expired.

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to ask the acting house leader whether there are any changes in the program to be dealt with

tomorrow, or are we to go on with the Bank Act? If we are, and that item of business is completed, what will we undertake next?

Mr. Pennell: Mr. Speaker, I am somewhat embarrassed and surprised by the hon. member's question. It was my understanding earlier this afternoon that the government house leader would be conferring with the other house leaders with regard to arranging the business for the next two or three days. I have no further information.

Mr. Starr: That was my understanding, but I was wondering whether in the meantime the government had changed its mind.

At six o'clock the house adjourned without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, October 6, 1966

The house met at 2.30 p.m.

CONSUMER CREDIT

Second report of special joint committee on consumer credit—Mr. Basford.

(Note: *Text of the foregoing report appears in today's Votes and Proceedings.*)

VETERANS AFFAIRS

REQUEST THAT OLD AGE PENSION NOT REDUCE ALLOWANCES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Veterans Affairs I would ask the Prime Minister—and this is at the request of old soldiers all across the country—whether the government intends at the present session to introduce an amendment to the War Veterans' Allowance Act so that war veterans achieving the age of 70, or 69, and becoming in receipt of the old age pension, will not have the amount of their allowance reduced.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in the absence of the minister concerned, who is laid up with the 'flu, may I tell my right hon. friend that I will be glad to take up this matter with the minister. As the right hon. gentleman probably knows, there are amendments to be introduced in this session to the war veterans legislation. As this is a matter largely for the minister, perhaps this should be dealt with after I have had a chance to talk to him.

Mr. H. W. Herridge (Kootenay West): May I ask a question supplementary to that asked by the Leader of the Official Opposition, and direct it to the Prime Minister. Could the Prime Minister also inform the house whether it is the intention to introduce some amendments to the pension act this session?

Mr. Pearson: Mr. Speaker, I will be glad to take this question under advisement, too.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF JAPANESE GOVERNMENT

Right Hon. L. B. Pearson (Prime Minister): With your permission, Mr. Speaker, I should like to call the attention of the house to the presence in the gallery of a very distinguished delegation of members of the Japanese government, headed by the foreign minister of Japan, who have done us the honour of visiting us in Ottawa at this time, in the continuation of discussions which are periodically held by the representatives of both governments, and which have been going on for some years. I am sure that all members of the house will share my satisfaction at the visit of the Japanese foreign minister and his colleagues, to this country.

• (2:40 p.m.)

NORTHERN AFFAIRS

TABLING OF REPORT OF COMMITTEE ON DEVELOPMENT OF GOVERNMENT

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Might I have the consent of the house to return to motions? When you called motions, Mr. Speaker, I was engaged in a lively conversation with one of my colleagues.

I should like the privilege of tabling copies in French and English of a summary of the report of the advisory committee on the development of government in the Northwest Territories, and a copy in English only of the complete report.

Mr. Speaker: Has the minister leave of the house to revert to motions for the purpose of tabling these documents?

Some hon. Members: Agreed.

Mr. Laing: It is my intention to speak very briefly on this matter.

Mr. Diefenbaker: Leave that until tomorrow. The agreement was just for leave to table the documents.

Mr. Laing: That is fine.

Mr. Speaker: The minister can make a statement now, in the ordinary way, on motions. I understand we have reverted to motions. Of course after the minister has made

his statement hon. members may comment on it.

Mr. Diefenbaker: Agreement was unanimous that there should be reversion for the purpose of tabling a report. Now that the report has been tabled possibly the minister will wait until tomorrow. We would then be able to study the report and follow him intelligently in the argument he advances.

Mr. Laing: In the light of the comment made by the right hon. gentleman I think I am entitled to say a few words.

Some hon. Members: Order.

Mr. Speaker: Order.

INDUSTRY

PROPOSED REFERENCE OF AUTOMOBILE PRICES TO CONSUMER CREDIT COMMITTEE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Prime Minister. Yesterday the government objected to a debate on motor car prices on the ground that this matter was before the committee on consumer credit. Since my information now is that the steering committee of that body does not intend to call representatives of the automobile manufacturing companies, may I ask the Prime Minister whether he would consider introducing a motion into the house to refer to the committee on consumer credit this question of the increased prices of 1967 car models?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to look into that possibility.

[*Translation*]

WINTER WORKS

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to direct my question to the hon. Minister of Labour.

Does the government anticipate any change in its policy regarding the 1966-67 winter works program as compared with the projects implemented last year?

[Mr. Speaker.]

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Yes, Mr. Speaker. The hon. gentleman may not have been in the house, but I think that the fact that the $500 winter house building incentive bonus will not be payable this year was announced before the adjournment some months ago. With regard to other winter works programs I suggest the hon. member refer his questions to my colleague who has responsibility for them. These are not the responsibility of the Minister of Labour.

Mr. Langlois (Mégantic): Might I then direct my question to the minister answerable for the winter works program, since responsibility for it has been placed elsewhere.

Hon. Jean Marchand (Minister of Manpower and Immigration): I think it was announced publicly—I do not know whether it was in this house or not—that during the coming year the same program will be implemented that was implemented last year.

NATIONAL SECURITY

INQUIRY AS TO PERSONNEL OF INQUIRY COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to the Prime Minister. Can the right hon. gentleman tell us when he will be able to announce the proposed special commission to inquire into security in Canada?

Right Hon. L. B. Pearson (Prime Minister): I certainly hope to be able to announce the membership of this committee shortly, but I am afraid I cannot go beyond this at the moment.

FINANCE

REQUEST FOR REVERSAL OF ALLEGED TIGHT MONEY POLICY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the announcement by the Dominion Bureau of Statistics appearing in this morning's paper to the effect that the index of industrial production has fallen for the third month in a row, would the minister and the government give consideration to reversing their tight money policy and allow production to expand rather than forcing it to contract?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have seen no evidence whatever to suggest that the gross national product is declining.

Mr. Hees: As a supplementary question, would the minister be good enough to read the Canadian Press dispatch appearing in this morning's paper, outlining exactly what I have said?

Mr. Speaker: Order, please.

[*Later:*]

Mr. Hees: Mr. Speaker, I should like to address my question to the Minister of Finance. Now that the minister has been made aware of the Dominion Bureau of Statistics figures showing that the index of industrial production has fallen for three successive months, does he not believe that he should reverse his tight money policy to allow industry to expand rather than force it to contract?

Mr. Speaker: Order. I do not think this question can be asked at this time. The hon. member may want me to refer to a number of precedents on the point.

Mr. Hees: I will raise this question again at ten o'clock, Mr. Speaker.

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY AS TO DISCUSSIONS WITH FRENCH FOREIGN MINISTER AND SÉNÉGAL PRESIDENT

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct my question to the hon. Secretary of State for External Affairs.

I should like to know if the hon. minister has met with Mr. Couve de Murville, the French Minister of Foreign Affairs, with regard to the establishment or the creation of a French Commonwealth of sorts and, if so, is the hon. minister in a position to inform the house concerning the talks he has had?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it is true that I have met with the French Minister of Foreign Affairs, but there was no mention of this question.

Mr. Grafftey: Did Mr. Couve de Murville tell the hon. minister that he has had similar talks with Quebec officials?

Mr. Martin (Essex East): Mr. Speaker, we discussed the suggestion made by the President of Sénégal with regard to the French speaking peoples:

That is not the question the hon. member just asked me.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question concerning precisely the conversations which the Secretary of State for External Affairs may have had with President Senghor of Sénégal.

Would the minister tell us whether Mr. Senghor's suggestion has received favourable consideration by the government and whether Canada intends to act on Mr. President Senghor's proposal?

Mr. Martin (Essex East): Mr. Speaker, we were delighted to have in Canada so distinguished a man as president Senghor. I may say that I assured him we agree in principle with the suggestion he made a few months ago.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): With a view to implementing the proposals concerning a French speaking establishment, did the Secretary of State for External Affairs discuss the matter with the Quebec premier in order to seek his views?

Mr. Martin (Essex-East): I have not yet had this privilege.

[*English*]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION TO FARM LABOUR

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I would like to direct a question to the Minister of Labour in reference to unemployment insurance for farm labour. Since the minister informed the house before the summer recess that he would bring in legislation to provide such insurance for farm labourers, may I ask when will he be ready to introduce that legislation?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am happy to inform the hon. member and other members of this house that, on the strength of the legal advice which we have received, it will not be necessary to amend the Unemployment Insurance Act to bring about the desired end to which

the hon. member has just referred; it is the intention of the government to extend unemployment insurance to agricultural and horticultural workers effective on or about April 1 next year. We are now working on the necessary regulations and I hope to make them public at a very early date.

Mr. Knowles: You should have hired those lawyers ten years ago.

Mr. Diefenbaker: Another triumph for the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp).

TRADE

WHEAT—REPORTED DIFFICULTIES IN FINANCING SALES

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is addressed to the Minister of Trade and Commerce in his capacity as de facto spokesman for the Canadian Wheat Board. In view of the difficulty of getting credit for those countries which are presently buying wheat from us under long term agreements, what action has the minister taken to ensure that for the next sales under these long term agreements these countries can get credit in Canada?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I am not the de facto spokesman for the Canadian Wheat Board. The Canadian Wheat Board is under the Minister of Finance, and I presume he is in a position to answer the question.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been in constant touch with the Canadian Wheat Board and with exporters on this very difficult subject. My understanding is that the sales for early delivery have now all been financed, albeit with some difficulty.

I am very much aware that there has been difficulty in this regard. As Minister of Finance I have felt that I should not give any greater preference in the demand for credit in Canada to people in eastern Europe than I should give to Canadians themselves.

[Mr. Nicholson.]

Therefore I felt I could not intervene to give discriminatory treatment in favour of those people as against Canadians many of whom require money for financing their enterprises in Canada. However, I do hope it will be possible in the future to avoid as much difficulty as there has been in these recent transactions.

Mr. Hamilton: Mr. Speaker, I have a supplementary question. First of all I apologize to the Minister of Finance for directing my question in the way I did. I only went on the news reports this last summer, and I thought the Minister of Trade and Commerce would now speak for the Canadian Wheat Board.

My supplementary question is this. Have the facilities of the Export Credits Insurance Corporation, which still has an odd $100 million available to pay for insurance, been examined to see whether it would be possible to amend the regulations in such a way as to make sure that those countries which want to buy supplies of wheat at this moment or in the next few months can have access to this available credit of the Export Credits Insurance Corporation?

Mr. Sharp: Yes, a very thorough examination had been made of all these facilities. As the hon. member knows, in our arrangements with the countries with which we have wheat contracts the undertaking of the federal government is to guarantee the repayment of the loans, not to provide the money. The Export Credits Insurance Corporation has facilities for extending loans for long term capital purposes, not for purposes of financing short term credits such as these wheat sales.

If it had been possible to use those facilities we would have given sympathetic consideration to it. In our judgment it would not have been suitable for this purpose. As I say, I am not at all unconscious of these difficulties, and the last thing I would want to see would be any prevention of sales to these countries pursuant to these contracts because of the non-availability of credit. This has not prevented the sale of wheat, and I do not think it will.

ADMINISTRATION OF JUSTICE

RESULTS OF INVESTIGATION OF SEAFARERS INTERNATIONAL UNION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Solicitor General. I should like to ask the minister whether he has anything to report to this house about the progress of the discussions between his government and presumably the government of Quebec in respect of the interim considerations which were given to the Royal Canadian Mounted Police investigation into certain activities of the Seafarers International Union.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, as a result of the findings of the Royal Canadian Mounted Police a report was made to appropriate officials in the provinces of Quebec and Ontario. I understand the final decision has been made by the province of Quebec, but I do not think their position has been communicated officially to the government. Regarding the position taken by the appropriate Ontario officials, that is still pending.

I have just now been informed by the Minister of Labour that an official report has been made to the Minister of Justice.

Mr. Howard: Mr. Speaker, as a supplementary question may I ask the Minister of Labour about that report.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, an interim report or a report on certain aspects of the matter has been submitted to the Minister of Justice and I have had an opportunity to discuss it with some of his officials, but there is one phase of the report which is still to come.

Mr. Howard: Mr. Speaker, perhaps the Minister of Justice would give some consideration to this question in order that we may then know what he thinks about this matter.

Mr. Pennell: My purpose in taking part was to help the hon. member, but perhaps I should not have attempted to give an answer in view of the fact that I was thinking of another investigation being carried out. The duties relating to the office of the Solicitor General have been completed and, therefore, reports would go to another minister.

POST OFFICE DEPARTMENT

REPORT OF INQUIRY INTO GRIEVANCES OF EMPLOYEES

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Postmaster General whether Mr. Justice Montpetit has completed his report in regard to complaints of the postal workers.

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, in answer to that question, I have been told that Mr. Justice Montpetit will present this report on October 13. That is the projected date, but it will be presented no later than October 18.

NATIONAL DEFENCE

INQUIRY AS TO BRIEF FROM NAVAL ORGANIZATIONS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to direct my question to the Minister of National Defence. Did he receive a brief this morning from 45,000 Canadians of the Navy League of Canada, the Naval Officers Association and the Royal Canadian Naval Association?

Hon. Paul Hellyer (Minister of National Defence): Not to my knowledge, Mr. Speaker, although it may have been received and as yet not brought to my attention.

Mr. Speaker: Order, please. Perhaps the hon. member should complete his question. I do not think it is sufficient just to ask a minister whether a brief has been received.

Mr. Forrestall: Mr. Speaker, I wanted to ask in a supplementary fashion whether the minister would give consideration to the reference of this brief to the standing committee on national defence upon its receipt.

Mr. Hellyer: Mr. Speaker, it is very difficult to say what will be done with a brief that has not yet been received.

An hon. Member: Everybody else has a copy of it.

Mr. Bell (Saint John-Albert): It is on your desk and it is on everybody's desk.

Mr. Forrestall: I have a supplementary question, Mr. Speaker. Upon receipt of this brief will the Minister of National Defence give immediate consideration to the suggestion?

Inquiries of the Ministry

Mr. Speaker: Order, please. This question has now become hypothetical.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask a supplementary question, Mr. Speaker. Everyone has received a copy of this brief except perhaps the minister, and in view of the disagreement with the policy of unification—I am not speaking about integration—will the Prime Minister make it possible to convene the committee immediately in order that evidence may be heard and parliament made aware of the facts? Such a procedure would be more acceptable than mere ex parte statements by the minister.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the sooner the legislation can be introduced and referred to the committee the sooner the committee will be able to meet and obtain all the facts, including the fact that there is an amount of agreement in the country regarding the policy referred to.

Mr. Diefenbaker: Having regard to saving money, how much has the national defence budget increased since this policy was adopted?

Mr. Pearson: I am sure that is something the committee will want to know.

Mr. Diefenbaker: I should say so.

[*Translation*]

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—REQUEST FOR REMOVAL OF TOLLS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Minister of Transport.

In order to comply with the request made by the Quebec Trucking Association and hundreds of thousands of Canadians, does the minister intend to abolish tolls temporarily on Champlain bridge until the repair work is completed on Jacques Cartier bridge?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I do not think the minister has the power to do what the hon. gentleman has suggested. The proposal that something of this kind be done by the government or the appropriate agency is under consideration.

[Mr. Forrestall.]

LABOUR CONDITIONS

LOUISBURG, N.S.—LAY-OFF OF WORKERS AT HISTORIC SITE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development on behalf of the workers at the Louisburg project, the hon. member for Cape Breton North and Victoria and the Minister of National Health and Welfare, in whose constituency this project is located. Will the minister take the necessary steps to ensure that the pending or actual lay-offs at this project will not take place or continue, so this project may continue at its present rate?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): At the very start, Mr. Speaker, I want to assure the hon. member that I have had representations from my colleague the Minister of National Health and Welfare on this matter. I would think the lay-offs will probably be replaced, and I am hopeful that they will be replaced out of a winter works program as they were last year.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. Will the minister make the necessary representations to the Minister of Finance, because our colleague from Inverness-Richmond may have difficulty reaching that minister?

Mr. Speaker: Order, please.

FINANCE

INQUIRY AS TO PUBLICATION OF TAXATION COMMISSION REPORT

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, my question is for the Minister of Finance. In his budget speech on March 29 this year the minister told the house, as reported at page 3375 of *Hansard*, that the government expected to receive and publish within two months the report of the royal commission on taxation. In view of the fact that over six months has now elapsed since the minister made that statement, will he now inform the house when this report will be made public?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I regret to say that I do not have control over the operations of royal commissions, and certainly not over this one.

We had hoped, and that had been my expectation at the time, that the royal commission would present its report in two months. The latest information I have is quite pessimistic, and I would hesitate to give a date even now.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the Minister of Finance whether further chapters of this report have been made available to officials of his department in addition to those that were made available some seven or eight months ago?

Mr. Sharp: Mr. Speaker, I cannot speak of this with certainty because I have entered into a self denying ordinance as far as the minister is concerned. I understand from my deputy minister that officials of my department who are trying to keep closely in touch with this matter have undoubtedly seen further draft chapters. But this, I must say, is only hearsay.

Hon. Alvin Hamilton (Qu'Appelle): A supplementary question, Mr. Speaker, to the Minister of Finance. Would the minister inquire, or has he ascertained, from officials of his department whether sections of that report have been made available to groups of business people and others in Toronto, who are discussing the report fairly publicly?

Mr. Sharp: I would deny quite emphatically that any parts of this report have been seen by anyone outside of officials of the Department of Finance. I was quite frank in the house in saying why we had made this arrangement. But if there is any speculation of this kind, it is based upon guesses as to what is in the report and not on the content itself.

[*Translation*]

AGRICULTURE

MILK—ANNOUNCEMENT OF INCREASE IN SUBSIDY TO PRODUCERS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my question is directed to the Minister of Agriculture whom I would like to congratulate for his splendid contribution to the victory in Nicolet-Yamaska.

The question which I should like to put to the minister is as follows—

An hon. Member: Just by the way—

Mr. Choquette: It deals with a press release of the Department of Agriculture in connection with an agreement entered into by the provincial ministers of agriculture of Quebec and Ontario and himself. Can the minister give some explanation about that agreement? Does it provide for an increase in the cost of manufacturing milk and the assurance of a renewal of existing subsidies?

This is a very important matter, Mr. Speaker, because the press release issued is unfortunately not explicit enough to enlighten people on this.

Mr. Speaker: Order. It is not very easy to determine whether the question is so urgent that it requires an immediate answer. If the hon. member believes it to be particularly urgent—and he is nodding at me—in that case, I would suggest that he raise it tonight at ten o'clock.

[*English*]

Mr. Eric A. Winkler (Grey-Bruce): In a similar vein, Mr. Speaker, I should like to ask the Minister of Agriculture whether he would assure the house that the milk producers in the province of Ontario and the province of Quebec will, as a result of his announcement, be assured of $4 a hundred for manufactured milk, f.o.b. the farm.

Mr. Speaker: The hon. member for Grey-Bruce may not have heard what I said a moment ago in another language. I wonder whether he would join the hon. member for Lotbinière at ten o'clock this evening.

Some hon. Members: Oh, oh.

[*Translation*]

Mr. Speaker: There is no supplementary question. The question has not been accepted.

[*English*]

CANADIAN BROADCASTING CORPORATION

COST OF SALARY INCREASES FOR EMPLOYEES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, yesterday I asked a question of the Prime Minister in reference to the 24 per cent or 22½ per cent increase in wages granted Canadian Broadcasting Corporation employees. The Prime Minister said:

> The government felt, since it was responsible for the C.B.C., that it would be unwise from the government point of view to go beyond these figures—

In view of that answer, what active steps did the government take in reference to the increase in pay, and will this matter be brought before parliament?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it was an increase recommended by the chairman of a conciliation board and the totals did not go beyond the recommendation. My hon. friend will have a chance to discuss this and other matters concerning the C.B.C. before long, I hope, in this house.

EXTENSION OF TELEVISION SERVICE IN NORTHERN MANITOBA

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Secretary of State. I wonder whether the Secretary of State has anything to report on the progress which may have been made with regard to the provision of C.B.C. network television for northern Manitoba.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, while the house was in recess I had a meeting with the premier of Manitoba and the president of the corporation. I am happy to say that it appears that good progress is being made.

SHIPPING

BALA, ONT.—OBSTRUCTION OF NAVIGATION BY BRIDGE CONSTRUCTION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Transport. It is based on a Privy Council order permitting Canadian National Railways to construct a permanent bridge which will effectively block major navigation. The matter is urgent because the crew arrived yesterday to commence construction. My question is, what decision has the government reached concerning the provision of access to Bala wharf on lake Muskoka as a result of this bridge construction?

Mr. Speaker: I was wondering whether this is actually a matter of national urgency. I suggest that the hon. member might want to take up this question directly with the minister.

Mr. Aiken: I would like to take it up with the minister at ten o'clock, Mr. Speaker.

FISHERIES

BAY OF FUNDY—EXTENSION OF HERRING SEASON

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. In view of the objections raised to the recent extension of the closed season for herring seiners in the bay of Fundy, is the Minister of Fisheries now prepared to state the date on which this discriminatory regulation will be lifted?

[Mr. Woolliams.]

Hon. H. J. Robichaud (Minister of Fisheries): First, Mr. Speaker, I would not agree that it is a discriminatory regulation, because the regulation was amended earlier this year. The closing date for seiners operating in a certain section of the bay of Fundy was advanced from November 15 to September 30, subject to review by the minister at that time. After an extensive review of this situation it was found possible to extend the season by 10 days in order to allow the seiners and their operators in the area to get their fair share of the herring catch.

Mr. Thomas M. Bell (Saint John-Albert): I have a supplementary question, Mr. Speaker. In this connection has the minister received a request for a meeting about this matter; has he acquiesced in that request and, if so, when and where will the meeting be held?

Mr. Robichaud: No such request has been received in recent months or even recent weeks.

Mr. Bell (Saint John-Albert): Is the minister aware that a wire went yesterday to the Prime Minister and himself saying that this group of seiners have been trying for three years to meet with the minister on this problem?

Mr. Robichaud: Mr. Speaker, I am fully aware that such a telegram went to the Prime Minister. A meeting was requested last year, and I offered to have the seiners meet with senior officials of my department. This meeting took place and the regulations were amended accordingly.

Mr. Bell (Saint John-Albert): Will the minister meet these fishermen personally?

Mr. Speaker: Order, please.

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question. I should like to ask the Minister of Fisheries whether he has any statement to make about straight base lines.

Mr. Robichaud: Mr. Speaker, I want to repeat what I said in the house in August. Discussions regarding the establishing of coordinates, or straight base lines, have been

very active in recent weeks. We expect to have another meeting with United States officials within the next two weeks, and following that meeting I hope we will be in a position to take positive action.

Mr. Howard: We hope so, too.

HOUSING

REPORTED SUBSTANTIAL DECREASE IN NUMBER OF STARTS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Labour in connection with housing and ask him whether, in the light of the very sharp decline of almost 60 per cent in housing starts in Canada in the first seven months of this year as compared to the same period last year, the government is considering implementing any new policies to increase housing starts to meet the need for housing in this country.

Hon. J. R. Nicholson (Minister of Labour): I think that on an earlier occasion in this house I stated that it was expected there would be a substantial decrease in housing starts this year. One reason was that there had been an abnormally large number of starts during the last quarter of last year.

This question is timely, Mr. Speaker, because in answering it I can refer to the fact that in certain cities where housing construction has fallen off there still seems to be an adequate supply of houses. I will give you one example. At the end of August, 1965—

Mr. Speaker: Order, please. The answer the minister is giving now is very interesting, but it seems to me that this is not the time to give such an answer. Neither is it perhaps the time to ask such a question.

Mr. Reid Scott (Danforth): I have a supplementary question, Mr. Speaker. In view of the decline in housing starts can the minister give the house an indication whether any priority will be given to passage of the legislation under his name which appears in *Votes and Proceedings* of today?

Mr. Nicholson: I am very happy to give that assurance. I hope it will be up for discussion within the next few days.

Inquiries of the Ministry

NATIONAL DEFENCE

INQUIRY AS TO SALARY SCALE OF NAVAL LIEUTENANTS

On the orders of the day:

Mr. Robert McCleave (Halifax): I have exceeded the record by 12, which is more than the score that Moe Drabowsky, who played baseball in Nova Scotia, inflicted on the Los Angeles Dodgers yesterday.

My question is directed to the Minister of National Defence. Will the minister look into the anomaly whereby naval lieutenants, who formerly received more in pay and allowances than chief petty officers now receive less under the new pay scale of the armed forces?

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

Mr. McCleave: I shall bring it up again at ten o'clock, Mr. Speaker.

REQUEST FOR REPORT ON MINISTER'S VISIT TO HALIFAX

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I wish to direct a question to the Minister of National Defence. Will the minister tell us, in view of the timidity he has displayed in calling the defence committee together, when he will give the house a report on the abject failure of his mission when he met with personnel of the navy at Halifax during the recess of the house?

Hon. Paul Hellyer (Minister of National Defence): It was a very interesting and worth while trip, Mr. Speaker. The people of Halifax were most cordial, and I enjoyed it very much.

Mr. Churchill: I was talking about the naval personnel, Mr. Speaker.

POSSIBLE CLOSING OF NAVAL BASE AT CORNWALLIS, N.S.

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): I wish to put a supplementary question to the Minister of National Defence regardless of whether it relates to his Halifax visit. In view of the quite proper concern in this matter has a decision been made to close the naval base at Cornwallis, and if so, on what date and where will a statement be made?

Hon. Paul Hellyer (Minister of National Defence): The answer is that no decision has been made, as was indicated earlier. The base consolidation program will be studied during the next year or so and when decisions are made, plans will be announced.

Inquiries of the Ministry

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR RETENTION OF MUSICAL RIDE AND EQUESTRIAN DUTIES

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, my question is directed to the Solicitor General. I wish to ask him whether the government is considering the removal from the R.C.M.P. establishment in Regina of training equipment, forces and personnel needed for the musical ride and other equestrian duties. If so, has the final decision been made, and is the minister giving sympathetic consideration to the numerous representations which have been made requesting that these facilities remain in Regina for historic and other substantial reasons?

Mr. Speaker: The hon. member will allow me to say that this question has a familiar ring to it. My understanding was that it was to be put on the order of business for the adjournment debate this evening, although if the hon. member suggests that the question is different, it will be allowed. However, it seems to me that this question was refused yesterday and the hon. member agreed to give notice and discuss it later today.

[*Translation*]

TRADE

TEXTILES—EFFECTS OF IMPORTS FROM JAPAN

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the hon. Minister of Finance and Receiver General.

Following a press release issued by the Department of Finance some 15 days ago predicting an increase in the imports of Japanese textiles into Canada next year, would the hon. minister give this house the assurance that the Canadian textile industry, and particularly the 12 Sherbrooke industries, will not be affected?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I can assure the hon. gentleman that the discussions we have been having with the Japanese have been of a character designed to protect the Canadian textile industry against disruption, as they have in the past. I think the success of this policy has been demonstrated by the continued healthy activity of that industry.

[Mr. Hellyer.]

RAPESEED—POSSIBLE SALE TO JAPAN

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I wish to direct my question to the Minister of Trade and Commerce. In view of the fact that a delegation from Japan is presently visiting Ottawa, will the minister bring to their attention the fact that this year we have a huge crop of rapeseed for sale and they can have almost any amount they might like?

Hon. Robert Winters (Minister of Trade and Commerce): You may be sure the subject has been mentioned, Mr. Speaker.

WOMEN

REQUEST FOR STUDY OF STATUS BY ROYAL COMMISSION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am not sure whether my question should be addressed to the Prime Minister or to the Secretary of State. Has the government received a request from the committee for the equality of women in Canada to appoint a royal commission to inquire into the status of women in Canada today? If so, what action is the government taking? Two answers will not be out of order, Mr. Speaker.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I believe I have received that request and also a good deal of persuasive pressure on this matter from the Secretary of State (Miss LaMarsh). It is under serious consideration.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I should like to direct my question to Hon. Mr. Greene, Minister of Agriculture. Now that the South Saskatchewan river dam is rapidly approaching completion, will the minister inform this house and the nation whether the government is considering appropriately naming it the "John G. Diefenbaker Dam"?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have no doubt in my mind that this would be a most notable name for many memorials in this country, but there are also other names which are equally meritorious and which are also being given consideration. The announcement will be made in due course.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address my question to the Secretary of State. Did the premier of British Columbia communicate with the Secretary of State, as I understand is customary, before he accepted a foreign order?

Hon. Judy V. LaMarsh (Secretary of State): I did not know that the premier of British Columbia took orders from anybody.

OLD AGE SECURITY

INQUIRY AS TO EFFECTIVE DATE OF INCREASED PAYMENTS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to put a question to the right hon. Prime Minister with regard to the proposed legislation to increase old age security payments. May I ask him if he would inform the house the date upon which such payments will become effective, regardless of when the legislation is introduced?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that will be made clear in the legislation, and I certainly hope the legislation will be introduced shortly. There are one or two important measures that have priority over it, but after that I look forward to its introduction.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question, Mr. Speaker. May I ask the Prime Minister whether in the preparation of this legislation any consideration is being given to the fact that some of the provinces pay a supplementary bonus to old age pensioners. If this is considered income under the income test, then people in those provinces will get no benefit at all from the legislation.

Mr. Pearson: Mr. Speaker, this is a relevant point. It is certainly being kept in mind in the consideration we are giving to the legislation.

Mr. Winkler: Mr. Speaker, may I put a further supplementary question to the Prime Minister. Will the sum of money that is currently in the federal old age security fund be used in the payment of any increase as a result of this legislation?

Mr. Pearson: Mr. Speaker, the hon. gentleman knows that I would be out of order if I tried to give details of this legislation at this stage.

• (3:20 p.m.)

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The house resumed, from Wednesday, October 5, consideration of the motion of Mr. Sharp for the second reading of Bill No. C-222, respecting banks and banking.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, at five o'clock yesterday I was addressing the house and the Minister of Finance (Mr. Sharp) with reference to the anti-inflation drive that the government is now undertaking to fight a situation which exists not only in Canada but is world wide, with Canada caught in the midst of it.

I am not going to repeat what I said in the special debate on inflation, but this bill has a very significant meaning today vis-à-vis the present economic situation in Canada. In fact, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) yesterday stated that following the debate on inflation and the turn of events in the sphere of economics and inflation in this country, some of his outlooks with regard to the Bank Act revision had been somewhat modified as a result of his experiences and observations.

I was saying yesterday that according to the statement of the minister yesterday and his previous statements, wherein he had asked Canadian producers, particularly manufacturers and retailers, and the Canadian people as a whole to keep down prices and to tighten their belts for a little while, if we are able to keep wage demands under control we will be able to fight inflation. I should like to add one suggestion here. If the minister is going to tighten the belts of the wage earners as well as the belts of Canadian manufacturers and producers, he might as well get ready to start tightening the belts of some of our Canadian financiers also. You cannot hold both ends down, allow the middle to go up and thereby level out the economy. If production costs, wages and the cost of living are to be held down, you also have to hold down interest rates, the cost of which is necessarily reflected in the selling price of any product in this country as well as in the cost of producing goods.

This is where I do not follow the reasoning of the minister. He applies tight money policies across the country, in particular restricts loans to industries, and then says that we have to cut down on the boom or we will go bust. On the other hand, he asks Canadians

for greater production and tells them we do not produce enough. You just cannot make both arguments. No matter which way you look at his reasoning you cannot follow it. The minister thinks, hopes and suggests, but he does not give any clear definition of the situation or seem to know exactly where he is going.

I am reminded of a brochure which I had before me in my office this morning entitled: "A Fantastic Debt Wonderland". In the brochure there is a sentence which was used by Abraham Lincoln in 1858, and it reminds me of the position in which the Minister of Finance is today. The sentence reads:

> If we could first know where we are and whither we are tending, we could better judge what to do, and how to do it.

That is about the best description one could find for the minister today.

I find it difficult to follow the reasoning of the statement he made some time ago in the special debate on inflation when I read his statement of yesterday. If we are to cut down on the cost of living, we will have to cut down on the cost of interest. I say that because when industry borrows money from a bank the selling price of the goods produced will reflect the cost of the interest incurred in borrowing the money to keep the industry rolling. That is a certain fact. This interest cost will also be found in the price finally paid by the consumer. After all, the Canadian consumer pays in the end for everything.

The minister has stated that in some respects the banks will have no ceiling on interest rates. This will leave the door open to speculators, and I think there is enough speculation in the financial field already. When we consider the activities of institutions which we call "near banks" and some of the finance companies, there is ample scope for speculation there without providing further opportunities.

In the statement of the minister yesterday the second proposal which he made, as reported at page 8354 of *Hansard*, was in these terms:

> Agreements between banks on interest rates both on loans and deposits will be prohibited.

I ask, Mr. Speaker, how does the minister expect to prevent this occurring? I often walk into public transportation vehicles such as buses and trains and see a big sign above the door saying: "Prohibited to spit on the floor". Yet if you look, Mr. Speaker, you will find spit. It may be against the law but no one has been able to stop it. If there is going to be the same kind of prohibition in respect of the banks, we might just as well not put it in the law.

[Mr. Langlois (Mégantic).]

The ceiling on interest rates is now 6 per cent; yet the parliamentary secretary to the minister clearly stated in this house that the banks have found legal ways of getting around this. Why should there be legal ways of contravening the law when the law itself means justice? Perhaps the minister can give some explanation of this, Mr. Speaker.

I told the Chair yesterday that I was not going to speak long on this subject because this matter is going before a committee and I imagine that at that time the minister will have many questions to answer from different members of that committee; at least I hope so. I also hope that he will answer these questions to the satisfaction of all. There are a lot of question marks so far as this bill is concerned, and before it goes through many answers will have to be given.

If the bill keeps its present form, the only people who may be helped in the long run are the big financiers, no one else. The minister realizes that there are a few modifications which can be made.

• (3:30 p.m.)

Modifications might be made not only in the Bank Act but also in the work of the committee. One of the things to be looked into, as we are talking about the chartered banks, is the fact that the banks are operating with worn-out charters. I do not know of any other body that could continue its operation when its charter had expired. Three years passed by before the introduction of this bill, and I imagine it will be another six months before we complete our study of it. I am willing to concede that under the circumstances in the house the matter could not be dealt with more quickly, but the effect of such a delay on the banks or allied financial institutions ought to be a matter for consideration.

We ought not to have to wait ten years between revisions of the act, or between cross-examinations of members of the financial community, to find out what is wrong. The banking community may also have its grievances, but it is part of the financial machinery of the economy. We have the productive and the distributive sides of our economy, which are governed to some extent by the financial machinery. We ought not to wait ten years between reviews of the structure.

The hon. member for Nanaimo-Cowichan-The Islands said that this debate might widen the horizons and the outlook of hon. members. If that is the result, then debates such as this should be repeated more often. The members of the banking fraternity, that is, those who come from the chartered banks, the trust companies or from other financial institutions, ought to be available more often for cross-examination. We should not wait from 10 to 13 years before submitting them to such cross-examination and bringing in legislation such as this. This bill has approximately 126 pages and over 140 clauses. We are given this amount of material to discuss, swallow, digest and accept. It has taken 13 years to bring these matters before the house and if we do not do something about it it will take another 13 years before we look into them again.

I submit, Mr. Speaker, that we should bring representatives of the chartered banks and the trust companies and other members of the financial community of this country before the standing committee having to do with finance more often in order to cross-examine them. In that way we might be able to prevent these recessions and concessions. I also say "concessions" because if we look at what is going on across the border we see that we are giving quite a bit away to that country. The Minister of Finance will know what I am talking about.

That is one principle which should be established now while we are reviewing Bill C-122 so that the House of Commons may keep close control over what is going on in the financial field and so that this matter will not be left entirely to the Minister of Finance or to some of the big string-pullers. That would be an advance and something we could be proud of.

We worry about productivity. The only man who speaks in the house about financial matters is the minister. We have no way of reviewing anything that the financial community says. If the banks at the end of the year issue statements, how can we verify whether or not those statements are correct? We do not see the persons who prepare these reports; in fact, we do not see anybody. Am I to question you, sir? Am I to question the Minister of Finance? As it is, I would probably get more answers in this respect from you than from the Minister of Finance. It is not that the minister does not know but he will not talk.

The minister is not on the boards of directors of the trust companies or banks. He has to accept their statements. The minister says the law is there, but how is he to know if they are obeying the law or if they are speculating too much. I say that it is the committee's job to find out these things. That is why representatives of these institutions should be brought before the committee to be cross-examined. It might help some members of the house because it would maintain their interest in the financial field.

This bill, sir, does not allow very much latitude to the productive or manufacturing part of the economy. In fact, it does not mean too much to the Canadian people. It is said that there will not be an interest ceiling. Is one to question each bank in order to find out the maximum it will charge? Is one to go from bank to bank asking what each bank will charge? There is already too much speculation under the present law, even at the 6 per cent level. If the minister would listen for a minute, also the member for Portneuf (Mr. Godin), it might help.

I wish to talk about the victims of bankruptcies. It is found that such and such a manufacturer in such and such a district has had a line of credit running between $150,000 to $250,000 for the past ten years. That credit is used to its maximum in the months of February or March, which are the low points for sales during the year. The manufacturer will reimburse the bank in June or July when construction gets under way across the country.

Then he is told by the bank to make good his overdraft. He has to repay it in three days. How is one to do that when there was no notice? Possibly there was a gentleman's agreement between the banker and the head of the enterprise concerned. As it was, there was no alternative but to sell some goods. The manufacturer did not sell them in the province of Quebec. They were sold in New Brunswick at between half and a quarter of their proper price so as not to disturb the market immediately adjacent to the industry concerned. But there is one very peculiar fact. A quarter of a mile from the concern in question there was another company in the same line of business, the president of which was a director of one of the chartered banks. That concern did not have its credit cut off.

• (3:40 p.m.)

This is something which I believe the Minister of Finance should look into. There is a conflict of interest and in too many cases it

is decided in favour of those who are inside the financial field, not outside it. This is more than a coincidence. The bank director was the president of a company, and that same bank was furnishing credit to the other company. On a day's notice credit to the other company was cut off. The man concerned was forced into bankruptcy but the other man is still operating. No wonder he did not want to sell the merchandise in his own immediate area; it was sold in New Brunswick. If we cannot follow up such things as this in the standing committee on finance we might as well approve any bill which comes before us and leave the field wide open to financial speculation. These people know when the moment is ripe; they can sense it.

One thing is missing from this bill. The hon. member for Nanaimo-Cowichan-The Islands mentioned it yesterday. It is a fact that we still have not recognized that there is a need to distinguish between the production side of our economy and the consuming side.

Consumer credit should not bear interest charges. As to the production side, yes, because the cost should be included in what the consumer pays. If we were to begin financing municipalities, school boards and similar bodies from public sources at very low interest rates we would be helping those bodies and we would at the same time be helping ourselves by cutting down every year the interest payable on the public debt. We are paying this year more than $1 billion as interest on this debt. To whom are we paying this vast sum? I should like the minister to tell us. To whom do we owe this interest? He may say that we owe it to the financiers. Who are the financiers? We do not see them much but we certainly hear a lot about them. They are the people who are far too often driving from behind.

Fifty, 60 or 100 years ago the various levels of government did not have the same responsibility toward the economy as they do today. Today the national economy embraces far more than it did 100 years ago. The time has come to consider dividing the economy into two parts, consumer credit on one hand and productivity, or the production side, on the other.

There is one instrument which would regulate both sides. It is not production. It is the means of distribution. It involves the representation of Canadian production in terms of dollars and cents. Until we change our method of financing we shall continue to face the problems which have so often plagued us in the past and which will not be solved in any significant way by putting patches on the trouble spots.

[Mr. Langlois (Mégantic).]

I think the minister should seriously consider this aspect of our affairs. I do not go as far as to say that ours is a dual economy but the economy can be divided into two sectors, one which produces and one which consumes. Everything that is produced in this country has to be consumed by somebody or there would be no point in producing it, and if the consumer does not have the necessary purchasing power he is unable to pay for goods and goods will not be produced.

I am bound to laugh at the minister when he suggests we cannot produce enough. Let the people have the means of purchasing what they need. Let the producers have the means to produce and give them the markets they require. Let this be done and, believe me, production will double in a year's time or a little longer.

It is not only Canada we must think of. In the last great war 30 million people were killed in six years. Today hunger kills 31 million people a year, more than in the six years of the last world war. What are we doing about it? I suggest we are sitting back and saying to ourselves: this is the normal course of events. Yet we regard war as something to be dreaded, and when we consider the possibility of war in the future everybody shakes. How can the government ignore the fact that 31 million people died of hunger last year alone?

Of the $1,500 billion earned across this globe, 85 per cent is earned in North America and Europe. The share of all the other countries is 15 per cent. Two thirds of the world is going to bed tonight hungry. These are facts which the minister seems to forget. There is a consumer demand which is not being satisfied. World distribution is not being carried out properly.

We can produce the goods. We saw this during the last world crisis. Foodstuffs were being destroyed though the people who needed them were facing starvation. Where is the justice? Everybody is worried about this matter. When are we going to start feeding the hungry? If we were to do this, perhaps we would get peace. Peace is something we have to work for, and until we are prepared to work for it by trying to feed the hungry we might as well forget about peace altogether and begin worrying about the protection of our kinfolk.

Let us begin to apply basic economic, financial and fiscal policies in this country which are adapted to the needs of the Canadian people and, if necessary, expand those principles across national borders so as to bring about the distribution of Canadian products to consumers by making the means to purchase them available. Until the government introduces a measure designed to reach this goal I shall be opposed to bills such as the one now before us.

It is useless to bring down measures which ensure that the house will be confronted with the same problem every 10 or 15 years. It is useless to give certain individuals more liberty in their financial activities while at the same time restricting the freedom of individuals among the Canadian public. The minister must think about giving something to the Canadian people. He must give them hope. By financial and fiscal policies he must devise a means of distribution that will satisfy Canadians and be an example to the rest of the world.

• (3:50 p.m.)

Mr. Bert Leboe (Cariboo): Mr. Speaker, in rising to participate in the debate on second reading of Bill C-222 I wish to say it is my intention to deal with the principle of the bill by delving a little into history and posing some questions, because banks and banking are tied in with our very way of life, with our economy, and all facets of our lives are in some way governed by our banking institutions.

When we examine the causes and effects related to our banking institutions we are also seeing the tools which the Minister of Finance (Mr. Sharp) and the Bank of Canada have to regulate the banking business and financial community. One of the most powerful elements in the world of today is banking systems, and here let me say it is my view that the Canadian banking system is one of the best in the world. But I also wish to point out that I believe there are certain shortcomings in our banking system and I hope some of them will be corrected by this legislation. However, it is not going to be easy to persuade the minister, and many other people who have an axe to grind, that changes must be made for the public good. I do not think we will get all the changes we want, but certainly we in this party are going to ask many questions in order to find out how far we can go to correct the situation as we see it today.

The government's monetary and fiscal policies are based on the banking system, and in this regard I am reminded of the situation that existed before the last war when our unemployed were housed in camps. They were allowed 10 cents a day spending money and many people believed nothing could be done for them. But when the emergency of war arose, through government policy our banking system created millions and millions and millions of dollars for the war effort, and these people who were in what almost might be described as concentration camps were taken out of those camps and given jobs or were sent overseas.

We found we were able to look after their health and provide them with clothes. We gave them tanks, we gave them guns, we gave them U-boats, battleships and airplanes, and it did not cost them a cent. As a result we became prosperous. What was it that brought about the change? Surely it must be known to each and every one of us that it was the fiscal policy of the government, related to our banking system, that produced the change.

I give full marks to the government of that day for the manner in which it faced the tremendous inflationary pressures caused by the great expansion of our money supply by the banking system. It launched a strong drive to have people buy savings bonds, but people were not told the truth why savings bonds were being sold. They were being sold to take money out of circulation. They were not being sold to help fight the war because money was already in too great supply in relation to the amount of services and goods available.

The government then launched into the sale of war savings certificates which, as you will recall, Mr. Speaker, cost $5 each. They were another means to take money out of circulation and return it to the central coffers of the government in order that individuals would not spend it on goods and services that were in short supply.

Then the government reached further into individuals' pocketbooks and started selling war savings stamps at 25 cents each, again not to provide money for the war effort but for the sole purpose of taking money out of circulation. But after a while we reached the point where all these measures were effective no longer and compulsory saving was introduced. When this step was taken people started to understand the government's intention in selling bonds, saving certificates and war savings stamps.

But even that was not enough. We had to embark on rationing and price control. As a result of the great expansion in the money supply there was a corresponding rise in the national debt, and the only reason for the corresponding rise in the national debt was our banking system which had the sole right to create credit. But once the national debt rose it stayed at a high level and then became greater.

We ought to ask ourselves why our government and governments all over the world are in debt. Each country in the world is in debt, but to whom are they in debt? They may say, "Well, we are in debt to ourselves," but "ourselves" means mighty few people in the world. We are in debt to the financial institutions of the world. Through our banking system we have created a large number of financial parasites which should be eliminated at the first opportunity. We all know that these financial parasites exist. We know the pressures they can bring to bear on governments. We know those pressures are greater than governments can resist.

With this bank bill before us we in the Canadian House of Commons have a duty to the people of Canada and, in fact, to the people of the world, to give leadership by adjusting our finances and our financial institutions so that we can have complete consumption of the goods and services we produce. We should strive to place ourselves in the position, as suggested by the hon. member for Mégantic (Mr. Langlois), where we can help the underprivileged people of the world. We should seek to place ourselves in a position where never again will we see stacks of tomatoes higher than box cars piled up in fields and then sprayed with some sort of chemical so that people cannot buy them. This has happened in the Okanagan where fruit has been dumped into gullies and chemically treated to prevent its sale in order to keep prices up. What nonsense, with two-thirds of the people of the world, going to bed hungry. Why does this happen? It happens because we regard our financial system as a sacred cow and are afraid to amend the law and make it function so that the people of this world can partake of the things which they produce. It is time we called a halt to this. I ask all members of this house, when we are dealing with the Bank Act, to consider seriously where we are going and how we can best adjust our financial system to the needs of the country and the world.

[Mr. Leboe.]

• (4:00 p.m.)

The banks of this country apparently have found ways of getting away from the 6 per cent ceiling. I am going to mention two ways in which this is done which have been brought to my attention. First of all, people are being asked to borrow more money than they actually want and to leave a certain amount of it in the bank as a deposit. This means that if they want $75,000 they are asked to borrow $100,000 and they pay interest on $100,000. But the bank then has $25,000 in an account and this extra money in the account allows it, under the reserve system, to create an additional amount of money which it can lend and on which it can collect interest.

There are ways and means by which the banks are getting around the 6 per cent ceiling. Undoubtedly this is what the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) was referring to yesterday when he spoke. The other day I had a report that an individual who was borrowing a large sum of money was asked to pay for the first time in his life a large service charge in connection with his loan. This is another way of getting around the 6 per cent interest ceiling. The banks call it a service charge. They got this terminology from the finance companies, and most banks have two or three finance companies attached to them. These are ways in which the banking system is operating not for the good of the general public.

I am glad to see that at last we are going to put the banking system into a position where the banks can make loans and take mortgages. This is one of the things we in this group have been complaining about over the years for the simple reason that people were forced to go outside the country to get this type of accommodation. What happened in the financial institutions outside of this country? By a very simple process they were able to take security in Canadian assets, create the money through their banking system and, with a stroke of the pen, collect the interest on that amount of money. Therefore they sapped the resources of the Canadian people through a deficiency in the banking system in Canada. I am glad this is going to be taken care of.

I am also glad that the inner reserves are going to be brought out in the open, although I think the actual effect is not going to be too great because the inner reserves have been known to the ministers of finance of this

country and surely, if we have any confidence in our ministers of finance, they have taken these things into account. Now that we are going to know what the inner reserves of the banks are I think we will be far better able to assess the potential of any individual bank or banker in increasing the money supply.

Surely one of the things that will result from additional mortgage money being made available by banks will be an increase in the money supply. This increase in the money supply, of course, will have to be closely watched by the Bank of Canada and ways and means will have to be used by the Bank of Canada to make certain it does not create additional inflationary pressures. The only thing I can see as a real hope is that the flow of money will be cut off from other sources when this increase is brought into being by the banking system and therefore within Canada we will have the banking system creating the credit. In that sense too I think we ought to be more conscious of how the shares of the present Canadian banks are distributed so far as Canadians and outsiders are concerned.

We have devised means in this world of causing a distribution of purchasing power, other than by preparing for and actually engaging in war, by what we call moon-shots and launchings into outer space. In this field a tremendous amount of money is being released in purchasing power for individuals. As we know, nobody buys one of these rockets which are sent up and which are costing the American people millions and millions of dollars. Nobody will buy one of them but the amount of money distributed in this way is still very substantial. I am glad we have devised a means other than war to aid in the distribution of goods and services.

In the last couple of weeks I have been travelling with parliamentarians from all over the Commonwealth. The one word that was on the lips of most of these parliamentarians from countries throughout the Commonwealth was "peace". I should like to ask hon. members what would happen if tomorrow the Minister of National Defence (Mr. Hellyer) rose in his place and said: "We have peace in the world. We are laying off all armed forces personnel. We will cut off all defence costs. We are going to dispense with the whole business." I predict to the Minister of Finance that we would have a revolution in this country within 60 days. We are not prepared for this type of thing. The financial system of this country is not geared in such a way that we could look after such a situation if it arose. Yet we talk about peace when we are not in a position because of our financial structure to take care of the situation if it arose tomorrow. What would we do with all the people in the armed forces, those in the defence agencies and those engaged in the distribution of these goods and services? We would find ourselves in a good deal of trouble. So when we are discussing the Bank Act let us seriously consider how we can change the banking system of our country so that if we were suddenly confronted with peace in the world and in Canada we would be able to cope with it, because we will need the financial technique to do so.

In closing I should like to pose another question. I put it in the form of a question because I am not an expert in finance. What is so secret about the devaluation of our dollar by the same percentage as the increase in our gross national product? Common sense would tell me we are going the wrong way. For every increase in the goods and services that are available in the country we are saying that our dollar should buy less.

• (4:10 p.m.)

I pose this as a question because I think we should have an answer. The only result of this policy at this time is the reduction of the purchasing power of the dollar for the individual on the street. We will, of course, increase the amount of loans that can be made but they will be made at a higher interest rate. Perhaps this will assist the gross national product, but the financier will move in again under the guise of some secret formula that has been invented and take advantage of the increase in lending power.

I agree with the hon. member for Nanaimo-Cowichan-The Islands who has said that there has to be some control on interest rates. Surely there is no reason for a great fluctuation in interest rates at any time. When we divide the dollar we reduce its purchasing power in spite of the fact we have a greater number of dollars. There is no reason in the world why we should increase interest rates.

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I was very heartened yesterday by the minister's statement regarding this bill because I detected what I felt to be an amenable attitude toward suggestion from all parts of this house as to how we can strengthen and improve this measure, making it more acceptable to Canadians. I was pleased to note the minister's recognition of the fact that he had perhaps placed an undue

emphasis on the efficacy of monetary policy and that we should give consideration to other measures.

Many problems arise in respect of the measure before us. The major suggestion is that this measure, by increasing interest rates, will improve the flow of money in Canada and remove some inequities that now exist. It has been suggested that we remove these inequities first by increasing the ceiling on interest rates which banks are permitted to charge and that eventually we adopt a formula to remove interest rate ceilings entirely.

While we agree that the rigid ceiling placed on bank interest rates does not mean much in view of what has been happening not only to our economy but to the economies of other countries as well we consider it would be a mistake to remove the ceiling unless assurance is given that thorough consideration will be given by the government to the adoption of some means of keeping interest rates from skyrocketing. The government must adopt some means to prevent this. At a later stage I propose to move an amendment to obtain that assurance and I hope the government will give it consideration.

All kinds of inequities result from the 6 per cent ceiling on the interest rate banks are allowed to charge and we know that this interferes with the proper flow of money between banks and financial institutions. We recognize it is becoming more difficult to control this situation by monetary policy because the unregulated sector of our economy is growing at a faster rate than the regulated sector.

Banks are more responsive to the controls used by the Bank of Canada. We in this house all know of the various methods resorted to by banks to circumvent the ceiling placed on interest rates. I use the word "circumvent" in the sense that they get around the ceiling forced upon them in order to preserve a competitive position. The maximum interest rate charged by banks is really no longer 6 per cent but in fact ranges from 6 per cent to 11½ per cent. We do not think that banks or other financial institutions should be allowed to adopt this position. If an interest rate is set at a certain figure it should be accurate.

Those of us who have been members of the consumer credit committee have been fighting for the adoption of the principle of a true disclosure of interest rates. It is important that banks, as well as other institutions, should disclose true interest rates and other charges placed on loans instead of the various devices now being resorted to by these institutions. If we require that other financial institutions in Canada declare true interest rates in simple terms we must require this also of banks.

The situation in which banks find themselves vis-à-vis other financial institutions is somewhat inequitable and should be corrected. As unfair as this may be to banking institutions, in the sense that they are required to charge lower interest rates than other institutions, we may have to accept this situation in order to maintain some control over interest rates. I suggest it would be more proper to free bank interest rates and adopt some method of controlling interest rates charged by all financial institutions in Canada.

I am sure we have all noted the indications that point to higher interest rates. Let me quote from the Ottawa *Journal* of June 21 which states under the heading "High Interest Rates To Stay":

> High interest rates are likely to prevail in the Canadian economy for the next ten years, according to a consulting economist from Missouri.

That economist is Mr. M. T. Welshans.

Let me quote from an article which appeared in the Toronto *Telegram* of August 26, written by Stephen Vitunski. He states:

> If you're waiting for interest rates to go down, you may be in for a long wait.

• (4:20 p.m.)

The *Globe and Mail* of September 7 carried an article by Ronald Anderson in which these words were used:

> The high interest rates—a response to a seemingly insatiable demand for capital in all countries—is likely to persist for some time.

These extracts from the press are merely a sampling of what I think is a general opinion that interest rates have nowhere to go but up. Certainly this will be the situation as long as the present conditions prevail, conditions of a great demand for capital that exists in the United States, to whose economy we seem to be very tightly tied. There is also evidence to indicate that the use of high interest rates, even where high interest rates are deplored but are used in an effort to dampen down demand and control inflation, is not having the desired effect. Apparently this system is not working.

There seems to be no evidence at this time that high interest rates are actually behaving

in the way they are supposed to behave in slowing down demand. One might say that demand might be higher if it were not for the level of interest rates at the present time. But even with the highest interest rates that I think Canada has seen for a long, long time there is no indication that they are slowing down inflation and there may be a possibility that they are actually fuelling inflation in the sense of contributing to the higher costs of many industries.

In this connection I would give an example, but I think this situation is probably prevalent in many industries where capital costs are more pertinent than labour costs. In an industry where capital is very extensively used, a rise in the interest rate would contribute far more to increased costs than would be the case with a rise in the cost of labour. I refer to a report entitled "Costs And Earnings of Selected Fishing Enterprises In The Atlantic Provinces." This report gives a cost breakdown on a number of ships. It indicates that wages in one instance represent 1.6 per cent of the costs and interest payments represent 4.3 per cent of the costs.

This may be very characteristic of capital-intensive industries and as such should warrant our consideration in doing everything we can to maintain interest rates at the lowest possible level. It is very difficult to see how removing the ceiling on the interest rate charged by banks would lower interest rates in Canada. It would certainly create a reallocation of money from one group to another but I cannot see how it would lower interest rates, and it might very well have the opposite effect unless we took positive steps to control interest rates throughout the whole economy. I should like to quote from an editorial which appeared in the Toronto *Star* of July 6:

> An increase in interest rates on bank deposits will, in turn, force trust and finance companies to increase the rates they pay on deposits. Otherwise, they will go out of business. The net effect will likely be not only high interest rates on bank loans but increased costs of other types of lending such as mortgages and consumer credit.

In short, I think there is a very decided danger of a price war breaking out if some ceilings are not imposed on the general economy. It will not be a price war for the benefit of the lender; it will be a price war for the purpose of attracting deposits and the costs will have to be passed on to the lender. Then we will run the risk of having interest rate levels far beyond what I would consider desirable in a country that has to expand and needs to obtain money at the lowest price it can possibly get it for.

I think there has also been a tendency for our monetary policy to be less effective than it might have been, in the absence of over-all controls in respect of interest rates. In some circumstances where money has to be tightened in Canada I think there would be a fear that such tightening would send interest rates far too high, far higher than perhaps the authorities themselves would want them to go. To some extent this has reduced our willingness for and effectiveness in the use of such a policy.

I believe that if we had more positive and direct control over the level of interest rates the government and the Bank of Canada could more effectively use their monetary policies in finding solutions to the problems at any given time. It is disturbing to find that we do not have, or do not appear to have, at government level the same concern about the bad effects of high interest rates that is represented by the concern of our neighbours to the south in the United States. The Americans are very much concerned when the interest rate starts to rise. I am sure that concern is also felt in this country to some extent, but the sense of urgency about such a rise does not seem to be as apparent here. I think it is necessary for our governments to recognize the importance of maintaining as low an interest level in Canada as is consistent with obtaining sufficient funds for our development.

We have always tended to be an expensive money country. Certainly this applies in our relationship to the United States. Our money has probably been cheaper than European money but more expensive than American money. In a country that has to be concerned about industrial innovation, that has to be concerned about making its labour more productive by the use of more capital, it imposes a very serious limitation on the ability of the economy to accept this move unless definite efforts are made to keep the cost of money low for this purpose.

I would suggest that higher interest rates affect the consumer in a very bad way both as a borrower of money and as a user of goods and services within which are incorporated the higher costs of interest, because interest is certainly as much a component of any product or service as are labour or raw materials. We are concerned about the general rise in all other costs and we have to be equally concerned about the rising cost of interest in Canada. This interest is passed on

and is ultimately borne by the consumer. Higher interest rates in Canada raise the cost of public borrowing.

• (4:30 p.m.)

There has been ample evidence for some time of the difficulties that all levels of the government have been having in selling their bonds and obtaining money for their financial needs. We had the unpopular issue of government of Canada bonds amounting to $500 million which was not selling well despite the fact it presented a most attractive deal. There was some concern that it would not be sold and that it would inhibit the floating of further bonds in the years to come or that future bonds might have to be floated at higher rates. I am advancing these arguments in favour of the necessity of maintaining as tight a control as possible over the level of interest rates in the hope of seeing that costs both in the private and in the public sector are held down as much as possible.

I was very interested in the remark concerning interest rates attributed to Harry Truman, a former president of the United States, reported in the September 9 edition of *Time* magazine of this year. He said:

> We will bring on a precipitous deflation if we persist in high interest practices. The result could be a serious depression.

It is therefore vitally important that a government should not permit interest rates to rise because of a depression psychology which starts to develop when those rates reach a certain point. It is far better to try to keep them level as best one can than to run the risk of allowing them to go up too high and then fall off, bringing about undesirable results.

Furthermore, I think the government should recognize that if the ceiling is taken off the banks and if we permit the kind of competition we hope will take place among financial institutions within our economy, then great inequities will become evident. In spite of the best competition, certain problems will arise which the market cannot be expected to solve. Those of us who for a long time have tried to get the market to respond to social objectives have come to recognize the great difficulty in trying to get this finely tuned mechanism which operates on the basis of profit both to have a heart and to achieve the highest profit possible. It is the government that should have the heart and the concern for those people who are hurt because of what takes place in the market.

[Mr. Saltsman.]

The government must assure the house that it will take measures to correct the social distortions that occur in the market place as the result of the allocation of resources on the sole basis of profitability. There is no doubt that social capital will be required. The market cannot provide this, and it is the government which will have to do so. It will have to build schools, step up its programs and keep an eye on interest rates so that these programs do not become too expensive for the public sector.

Things like research are the responsibility of the government, and I am sure the minister is aware of the great regret that was expressed in this country when in his last budget he reduced the sum of money that would be made available to research. The government will have to make development funds available to help those industries in Canada which need encouragement and cannot find funds within the market system. Funds will also be necessary for regional development. We frequently find that when a tight money policy is adopted and interest rates start to go up, then the already disadvantaged areas, just as the disadvantaged group of people in our society, are the ones who are hurt the most. The government will have to recognize this and see that funds are made available for this kind of assistance.

For these reasons, Mr. Speaker, and also to make as many as possible of our institutions, apart from the chartered banks, responsive to national policies, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), the following amendment, which is prepared in French and English. It reads as follows:

> That Bill No. C-222 be not now read a second time, but that it be resolved that in the opinion of this house that consideration be given to the introduction of legislation to include provision for placing the sole operation of clearing house facilities in the hands of the Bank of Canada and requiring that all financial institutions issuing demand liabilities, transferrable and short term banking claims requiring access to the cheque clearing system be defined as banks and brought under provision of this legislation; and further that the government give consideration to taking such steps as are necessary to give to the Bank of Canada the power to set maximum interest rates on both loans and deposits as it deems necessary in the general interest of the economy in the light of prevailing economic conditions.

Mr. Pickersgill: Mr. Speaker, before Your Honour puts the motion I wonder whether I could say a word on a point of order?

The Acting Speaker (Mr. Rinfret): Yes.

Mr. Pickersgill: The Minister of Finance and I were both listening to the amendment rather carefully. Would it be possible to reserve argument on the point of order and not make a decision on whether the amendment is in order until there is an opportunity to consider it, unless Your Honour is clearly of the view it is out of order

The Acting Speaker (Mr. Rinfret): I would like to have the assistance of hon. members regarding the validity of this amendment. I would also like to put the amendment before the house. It reads as follows:

That Bill No. C-222 be not now read a second time, but that it be resolved that in the opinion of this house that consideration be given to the introduction of legislation to include provision for placing the sole operation of clearing house facilities in the hands of the Bank of Canada and requiring that all financial institutions issuing demand liabilities, transferable and short term banking claims requiring access to the cheque clearing system be defined as banks and brought under provision of this legislation; and further that the government give consideration to taking such steps as are necessary to give to the Bank of Canada the power to set maximum interest rates on both loans and deposits as it deems necessary in the general interest of the economy in the light of prevailing economic conditions.

• (4:40 p.m.)

May I ask hon. members to assist the Chair in enabling it to render a decision on the validity of this amendment.

Mr. Otto: Mr. Speaker, am I to understand that you are willing to postpone for a time the hearing of argument on the point of order, as requested by the minister? I believe the minister asked whether you would be willing to hear argument at a later time after the minister and the house have had a chance to consider the wording of the amendment. Is it correct that you will accept argument on this point of order after a certain time, say after dinner? If this is your view I should like to continue the debate on the Bank Act.

Mr. Pickersgill: Mr. Speaker, I wonder whether I might reiterate my request. I have no objection to the fact that we are taken a little by surprise by this amendment. That is part of the game. But it would be very helpful if my colleague and I had a little time to consider the wording of the amendment. If the house were agreeable to having the question whether or not the amendment is in order postponed until the hon. member for York East, who intends to speak anyway, has completed his speech, I think it would be convenient to do so. I wonder whether the hon. member for Waterloo South would object to that.

Mr. Saltsman: I think that is a reasonable request, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): Is there unanimous consent to the request that has just been made by the minister?

Some hon. Members: Agreed.

Mr. Steven Otto (York East): Mr. Speaker, I was particularly impressed with the minister's speech yesterday in which he tried to define the purpose of this legislation to amend the Bank Act. He said, and rightly so, that it is intended to increase the degree of competition and flexibility in our banking system so that it will best serve the changing requirements of the Canadian economy and the interests of all Canadians.

That, Mr. Speaker, is a fairly far-reaching shift in emphasis because up until about ten years ago the purpose of the Bank Act was really to provide security or protection to people who had deposited money in banks so as to ensure they would not lose it. That was the emphasis found in the act, as is quite customary in the agrarian type of economy that we have. So the very fact that the government has realized the need for a shift in emphasis toward making money available for industrial and commercial expansion is in itself a very important matter.

Among the many items in the bill, I think one of the most important is the proposal by the minister that agreements between banks on interest rates, both on loans and deposits, will be prohibited. There is a presumption in the minds of a great many Canadians that bank heads or bank presidents actually do get together and agree to set interest rates. This is not so. They do not get together at a committee meeting or as members of an association and say: "We are going to establish such and such an interest rate for such and such a risk". That does not occur.

However, what does happen—this again pertains to a point made by the minister—is that although the banking system and the staff employed by our chartered banks are really quite efficient and forward looking, both are hindered because of the existence of cross-directorships.

It is strange to think that a bank, which is wholly a business, appoints its board of directors not for what the members of the board know about banking but because they happen to be well established and well known people. What the banks are looking for is an aura of respectability.

There is nothing wrong with this provided that the bank itself can function. Unfortunately, what happens is that the directors of banks, not being involved in the banking business at all or not making their living from the banking business, are inclined to protect their good names by being very conservative in their approach toward financing. This is all very fine in an established and very stable economy but it is not suitable for an economy which is changing rapidly from day to day as is the case in Canada. As a result, Mr. Speaker, if the minister is going to be successful in his goal of making more money and credit available to industry and commerce in this nation, he will have to do a lot more than just limit to 20 per cent the number of directors of companies who may become directors of a bank.

I once talked to the president of a chartered bank who told me that he spent almost 90 per cent of his time trying to gain acceptance by the rest of the directors of his bank of policies which his staff had developed. He said that on top of that he was successful only about 10 per cent of the time. In other words, banking itself, which is obligated to provide credit and has a responsibility there, is hindered by its directorships.

Let us consider the state of affairs in the United States. In most of the directorships of industrial corporations in the United States 50 per cent or more of the directors are involved in the business of the company of which they are directors. In other words, you have vice presidents in charge of production, vice presidents in charge of advertising, vice presidents in charge of sales, and the president, and then there is a limited number of directors whose responsibility it is to look after the shareholders who are not involved directly in the company.

We must remember that if the members of a board of directors make their living from the business of the company they are going to be much more concerned about its welfare, whereas under the other system we wonder how the directors of some companies make their living. I know a number of directors of banks and other companies who do not seem to be involved in any business. They are almost professional directors. They do not make much money as directors, but being on the inside, knowing when shares are going to be issued, knowing that they can subscribe to shares without payment of more than 10 per cent of the value, and knowing that the shares will not be issued until they are sold,

they are able to make money in this way. They make a living by making the purchase of shares of banks and other institutions a worth-while project through reselling them on the market.

However, this does not necessarily gibe at all times with what the banks want to do and should do, which is to provide more credit, among other things. There are no agreements between bank heads to restrict interest rates. But it is done in other ways. For example, over a drink or lunch at the club it is done indirectly if one director of a bank, who is having lunch with another director of a bank, says: "There is John Smith over there and he will be stepping into your bank for a loan; but he is not a very good fellow and I would not touch him with a 10-foot pole", or words to that effect. This results in an agreement being made insidiously.

• (4:50 p.m.)

I doubt that anyone can point to a definite agreement or even to a potential agreement made between banks to set interest rates. Unless we can take steps to loosen the establishment of directorates and to allow people who know their business, who want to be in banking and who are interested in banking, to come in as directors of banks, we shall not see too much result in respect of what we want to accomplish, namely, more money available for industrial and commercial expansion.

There is some emphasis in the bill on this matter, and I am glad to see that there is at least some restriction with respect to the directorships of banks. It will be difficult for any government to try to make laws in this regard unless one can say that bank directors may not have an interest in any other business than banking. Another requirement could perhaps be, that at least 50 per cent of the directors of any bank must be involved in the banking business. In other words, they must be bankers. I think this may be one place where we will find difficulty.

Another thing that is not quite clear in the bill has to do with the fact that a bank may set any policy. It can be as liberal as it wishes in the granting of credit for business expansion. The bank does this through bank managers. It is both an unfortunate and fortunate thing that there is a curious pension plan in all banks. In most banks, when the manager retires he gets a pension approximately equivalent to 75 per cent of the average of his last three or four years' earnings. That is a very high pension. Consequently,

when a bank manager reaches the age of 50 or 52 and only has 10 years to go he does not want to take a chance. He does not want to lend money on even the slightest risk because he knows that he will be the one to be penalized in the event of a loans's failure.

Again, many people have come to the conclusion that whereas at one time usury was the charge made for risk, today it is the charge made for a waiting period which is without risk. Consequently, the banks are accused at times of wanting interest, without any element of risk attaching to a loan, merely for waiting until such time as payment becomes due.

These are things that have to be cleared up. We shall have to foresee problems relating to such things. We shall not see an immediate increase of available money for industrial and commercial expansion unless we can somehow solve the problems which will hinder the fluidity of money.

Before I conclude I wish to take issue with the last speaker and some others when they indicate they are worried about mortgages and about mortgage money coming from outside Canada. I am not the least bit worried about mortgages being taken by foreigners outside Canada. In fact, I think it is a good thing. There is a limited amount of money in Canada and that money can go either into equity or business investment or into mortgages. The only trouble with mortgage money is that it is tied up in bricks and mortar. Mortgages are worth less in real money at the end of 25 years, even when one takes into account the interest which has been earned, than the money originally lent. The money at the end of that time will be worth less than the original amount owing to constant inflationary pressures but this money could have been used to invest in industry, that is, in share or equity capital.

It has been the theme of debates for the last three or four years that Canadians want to own equity in their own industrial destiny. If that is so, why put more money into mortgages, because that money will be tied up? I would much sooner let United States citizens have all our mortgages. If they want to foreclose and take away the buildings, let them do so. Let us, however, induce Canadians to invest in equity growth shares and in the industrial and commercial development of this country. For that reason I am not worried about mortgages.

There is, of course, always the fact that interest has to be paid, but after all it is only interest. As the former minister said, we should not mind foreign investment as long as we need only pay interest for a definite term. In that light the emphasis on mortgages is nothing that we should really be concerned with. What we should be concerned about is making available for Canadians money for industrial and commercial expansion.

I am not too concerned about the power given to the banks to invest in mortgages. I do not think it will have much meaning. Mortgages are long-term investments and banks are usually not long-term lenders. They are short-term lenders. Though they will invest a certain percentage of their money in long-term investments, I do not think this will be a point to be concerned with.

I should like to go back to the original statement made by the minister, namely, that the purpose of this legislation is to make available more money for the industrial growth of Canada. I hope that after the bill has been considered in committee and questions have been directed to the witnesses and recommendations have been made, we will have a clearcut view of whether the banks will succeed in doing what is asked of them, that is, to do a good job in banking. When I speak about a good job being done in banking, I do not mean banking in any limited sense. I am not talking of banking controlled by an established elite which does not know anything about investing, is not interested in investing and is interested only stability. The picture up to now in banking has been one of stability. What we need is daring.

I hope that after the committee studies and examines this bill it will come back to the house and report on whether or not the banks are willing and able to comply with the demands of this nation. May I call it five o'clock?

Mr. Pickersgill: This is Thursday; you should go on.

Mr. Knowles: It is not five o'clock until six o'clock on Thursday.

Mr. Pickersgill: On a point of order, I think the hon. member for York East was under the misapprehension that we were to proceed to other business at five o'clock. Therefore he should either continue his speech—

Mr. Otto: I have concluded my remarks, Mr. Speaker. Though it is five o'clock, I have come to the conclusion of my remarks.

Bank Act

• (5:00 p.m.)

Mr. Pickersgill: Mr. Speaker, I wonder whether Your Honour is prepared for me to proceed with my argument on the point of order which was raised? I have looked at Your Honour's opinion, one which was not exactly in accord with the views which I and my friends expressed on August 30, with respect to an amendment moved to another bill by the Leader of the Opposition, an amendment which we thought was out of order but which Your Honour decided was in order. That amendment is the nearest immediate parallel I was able to find to the proposed amendment we are now considering.

I refer to the opinion given by Your Honour as reported at page 7808 on August 30 of this year. I have had only a few minutes in which to look at the recitation which Your Honour made of the kinds of amendment which could be moved as reasoned amendments. The first is an amendment declaratory of some principle adverse to, or differing from, the principles, policy or provisions of a bill. I do not think I need refer to the others. The amendment may express opinions as to circumstances connected with the introduction or prosecution of a bill, or it may seek further information, but the proposed amendment does not seek to do these things.

It seems to me that if this amendment does fall within the categories stated by Your Honour it must come within the first category as being declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill. It appears that what this amendment seeks to do is to ask the House to give consideration to other legislation on a closely related but essentially different subject. Indeed, this would appear to be the kind of amendment which might have been moved with relation to the bill to amend the Bank of Canada Act which was given second reading by the House on June 13 and sent to the standing committee. I say this because the amendment seeks to give additional powers to the Bank of Canada and does not deal with the chartered banks which are the subject matter of the bill we are considering. It is true the subject may be closely related to the bill before us but the relationship is that of a first or second cousin; the proposed motion is not adverse to any principle, policy or provision in the bill itself. Indeed, it does not deal with the bill at all. I do not think I need to labour the argument, Mr. Speaker. It seems to me the whole case is right there.

[Mr. Otto.]

Mr. Lambert: Mr. Speaker, in speaking briefly to this amendment I should like to say that in my opinion it is clearly out of order because, though it tends to be adverse to the motion for second reading which is before the House it introduces an entirely new question. I say this with the greatest of respect to those proposing it. The three points put forward for inclusion in the legislation referred to concern the Bank of Canada.

The references to the Bank of Canada in the bill now under consideration are merely incidental. As the Minister of Transport has correctly pointed out, the bill before us deals with the chartered banks and with the chartered banks only. The reference to the Bank of Canada has to do with certain reserves and is purely incidental. On the other hand, what is proposed in this amendment as an alternative to aspects of the legislation before us deals with the Bank of Canada and is certainly not incidental to the operations of that bank. What is proposed would properly be the subject matter of amendments to the Bank of Canada Act, as the Minister of Transport has said.

On the basis of the observations which have been made I would say there is definite ground for arguing that this amendment is caught by citation 203, paragraph 5, to be found on page 171 of Beauchesne, which reads as follows:

> An amendment was ruled out because it raised a new question which could only be considered on a distinct motion after notice.

I say this is a new question involving amendments to the Bank of Canada Act which could only be considered on a distinct motion after notice and that the proposed amendment falls to the ground for this particular reason in addition to others which may be cited by hon. members.

Mr. Knowles: Mr. Speaker, may I first of all make a brief reference to the last argument advanced by the hon. member for Edmonton West. He quoted citation 203, paragraph 5, against this amendment but I would remind you, sir, that citation 203 applies to amendments to questions of substance. There is a separate section in Beauchesne, as in the other authorities, dealing with amendments which can be moved to a motion for second reading, and I suggest that the terms of citation 203 do not apply at this time but rather that we must look at citations 381, 382 and several of those that follow.

I should also like to join with the Minister of Transport in drawing Your Honour's attention to the ruling you made on August 30 with respect to the amendment proposed on that occasion by the Leader of the Official Opposition. What we had before us then was a motion for the second reading of the government's back to work legislation. The Leader of the Opposition moved an amendment which, in effect, opposed proceeding with the second reading of the bill because it failed to deal with such matters as fringe benefits and the recommendations of the Feedman commission report.

I draw Your Honour's attention to the fact that the matters complained of in the amendment of August 30 were matters not dealt with in the bill. Nevertheless, Your Honour took the view that the amendment on August 30 met the requirements of a reasoned amendment. In other words, it was the kind of amendment which gave reasons why the Leader of the Opposition—and we happened to agree with him on that occasion—felt that second reading should not then be proceeded with.

• (5:10 p.m.)

This is what is proposed in the amendment moved by the hon. member for Waterloo South. The amendment is opposed to the second reading of the present bill for the reasons stated by the hon. member for Waterloo South and by the hon. member for Nanaimo-Cowichan-The Islands, namely that the bill does not deal with the problem of the interest rate and other banking problems in the way that we in this party feel those problems ought to be dealt with.

My hon. friends who have just spoken have suggested that we are dealing with the Bank of Canada Act rather than with the Bank Act. I suggest we are dealing with the problem of banking, just as on August 30 we were dealing with the problem of railway labour relations, and on that occasion Your Honour permitted a reasoned amendment that gave the reasons why we should not proceed with the second reading of that bill in the form in which it was placed before us. I submit that what is now proposed is a reasoned amendment as to why we should not proceed with the present bill.

I further submit, Mr. Speaker, that this amendment does not offend some of the other rules regarding amendments of this kind. For example, it does not propose changes that could be effected by changes in the bill itself. It proposes entirely different ways of coping with some of the problems in the field of banking. Therefore, Mr. Speaker, as I have often tried to, I rely on citation 382 in Beauchesne's fourth edition and I contend that the amendment is in order. If we again read that citation we see that it says:

> 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—

That is the question for second reading, and that is what this does.

> —a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill—

I think that is all I need to read of citation 382 because that is precisely what the amendment moved by my hon. friend does, but I am sure that in your study of this problem that has now been raised Your Honour will have refreshed your memory as to the things you said on August 30 as recorded at page 7808 of *Hansard* for that date.

I found it very interesting that on that occasion you compared Beauchesne's various clauses, going right down to citation 393, with May, from which these ideas came, and you expressed the view that the rule as set out in May is the one with which we should stay. Then a little later on you said:

> We have before us a reasoned amendment and the principle of a reasoned amendment is set out very clearly in Abraham and Hawtrey's Parliamentary Dictionary at page 162, which states in very clear terms what a reasoned amendment is. It reads:
>
> "This form of amendment seeks . . . either to give reasons why the house declines to give a second or third reading to the bill, or to express an opinion with regard to its subject matter or to the policy which the bill is intended to fulfil."

Frankly, Mr. Speaker, I do not think my hon. friend from Waterloo South could have met that stipulation any better than he has. The amendment gives reasons why we should decline to give second reading to the present bill, and it expresses an opinion with regard to the subject matter of the bill and with regard to the policy which the bill is intended to fulfil. My hon. friend's contention is that the bill before us does not implement that policy in the way that it should be done.

We are opposed to the bill in its present form. We think the whole problem of banking should be dealt with in the different ways that are suggested in this amendment. Therefore, because it is a reasoned amendment, because it is opposed to the second reading of the present bill in its present form, I suggest that it is even more clearly in order

than was the amendment of the Leader of the Opposition to the railway legislation, which Your Honour declared in order on August 30.

Mr. Olson: Mr. Speaker, though I find myself in agreement that the government, and perhaps the house, ought to be giving some consideration to the proposals that were laid before us by the hon. member for Waterloo South in advancing this amendment, I think there are a number of reasons why it is out of order.

The operative part of the amendment is that Bill C-222 be not now read a second time. The rest gives some reasons, or what are purported to be reasons, but the amendment does in fact introduce new subject matter that is not in the bill. Therefore I think it can be argued that accepting this amendment that the bill be not now read a second time would have exactly the same effect as a direct negative when the bill comes to a vote on second reading.

Citation 202(12) of Beauchesne reads:

> An amendment proposing a direct negative, though it may be covered up by verbiage, is out of order.

I suggest that this amendment falls into that category because if the hon. member's objective is simply to defeat Bill C-222, that can be accomplished simply by voting against it when the question is put on second reading. Citation 202(14) of Beauchesne reads:

> An amendment which would produce the same result as if the original motion were simply negatived is out of order.

I also want to say that although the words of the amendment do not include that the bill be hoisted for six months, it does have exactly that effect. The hon. member for Edmonton West (Mr. Lambert) referred to citation 203(5) which reads:

> An amendment was ruled out because it raised a new question which could only be considered on a distinct motion after notice.

I suggest that the hon. member for Waterloo South has the right to raise the three matters that are in his amendment, but for it to be in order he should put it on the order paper in the form of a notice of motion which would come up in the usual way that a private member has open to him in drawing matters of this kind to the attention of the house. If he does this he can then wait his turn to debate these matters.

[Mr. Knowles.]

The hon. member for Winnipeg North Centre referred to citation 382 in Beauchesne which reads in part:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill—

I cannot see anything in the amendment indicating that the hon. member has any special reasons for not agreeing to Bill C-222. All he is doing is raising a completely new subject matter that is not contained in the bill, and therefore I do not think the amendment complies with the provisions of citation 382. So, Mr. Speaker, as I said at the outset, while I can find a number of reasons for agreeing that the matters raised by the hon. member ought to be discussed, debated and perhaps dealt with by legislation, there are a number of reasons why his amendment is out of order at this time.

Mr. Speaker: If there are no additional contributions to this very interesting debate on procedural matters perhaps I should at this time give my opinion as to whether the amendment moved by the hon. member for Waterloo South ought to be accepted or not.

• (5:20 p.m.)

Hon. members know the practice and precedents governing the introduction and proposal of reasoned amendments better than I do. The Minister of Transport has referred the house to a ruling of August 30 last which gives in some detail the general practice and precedents governing such amendments. I feel myself bound by that ruling and I think it applies in this present case. However, hon. members know that even in the instance of a reasoned amendment the general rule regarding relevancy still applies.

Reference has been made to May's seventeenth edition at page 527 where it says:

> The principle of relevancy in an amendment governs every such motion.

Meaning, of course, an amendment along the same lines as the one proposed by the hon. member for Waterloo South (Mr. Saltsman), that is a reasoned amendment.

> The amendment must "strictly relate to the bill which the House, by its order, has resolved upon considering", and must not include in its scope other bills then standing for consideration by the House.

It seems to me that the proposal advanced by the hon. member in the form of an

amendment does not relate strictly to, but goes beyond the terms of the bill now before the house. I fully recognize it is always extremely difficult to determine whether or not an amendment of this type is relevant, but reading it as closely as I can and following upon the suggestion made by the hon. member for Edmonton West (Mr. Lambert), supported by the hon. member for Medicine Hat (Mr. Olson), it seems this is an entirely new, different and novel legislative proposal. Because of this I do feel that this amendment, proposed as a reasoned amendment, cannot be accepted because it is substantially irrelevant.

Referring myself to citations 202(3) and 203(5) quoted by the hon. member for Edmonton West, and sustained by the arguments also advanced by the Minister of Transport and the hon. member for Medicine Hat, I think I have to rule the amendment out of order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to make a few comments on the bill before the house, that is the revision of the Act respecting Banks and Banking.

On re-reading the speech delivered yesterday by the hon. Minister of Finance and Receiver General (Mr. Sharp), we note on page 8354, left-hand column, paragraph (4):

(4) The present cash reserve requirement of 8 per cent of total Canadian deposits will be gradually replaced by a cash requirement of 12 per cent against demand deposits and 4 per cent against term and notice deposits (including personal savings deposits). On present figures this formula would result in an over-all cash requirement of 6.6 per cent.

This means, according to the new Bank Act, that the cash reserve requirement for chartered banks will be established at 6.6 per cent instead of 8 per cent of their deposit liabilities.

Mr. Speaker, let us figure out what this will mean. I would ask the Minister of Finance to pay attention to the following figures which I will quote, and tell me if that is not the concrete and true result his amendment will bring about.

Upon leafing through *Canadian Statistics* September 1966 issue, I read, on page 76, in Table 106 entitled Chartered Banks of Canada:

Canadian cash reserves—total reserves for chartered banks, $1,492 million.

And according to these same figures, this has made possible Canadian dollar deposits totalling $18,443 million which represents an average cash reserve of 8.1 per cent.

If we now establish an average cash reserve of 6.6 per cent—it must be noted, Mr. Speaker, that the total cash reserves will still remain at $1,492 million, which is the present amount. If an 8 per cent cash reserve of $1,492 million represents deposits totalling $18,443 million, this same $1,492 million cash reserve, which is at present in chartered banks, will make possible deposits totalling $22,600 million once the cash reserve requirement is brought down to an average 6.6 per cent, which represents an increase in deposits totalling $4,157 million. And where do the deposits come from? From the loans granted by the banks. In this connection, I wish to refer to a magazine published by the Royal Bank of Canada. I am not the one who says that, I am only quoting the Royal Bank pamphlet "Economic Trends and Problems", prepared by their Department of Economic Research, in June 1966, as a special issue for general distribution. On page 3, paragraph 2, we read the following:

Bank deposits increase when banks buy bonds or grant loans, because the people who sell bonds to the banks or obtain loans from them deposit the proceeds thereof in banks.

• (5:30 p.m.)

Therefore, deposits come from loans and by decreasing the average percentage of the bank reserves from 8 per cent to 6 per cent, chartered banks are automatically allowed to increase overnight their lending potential by $4,157 million without their having a single penny more, either in stock capital, claims or guarantees. Chartered banks, the very day after this bill is passed, will be able to make additional loans to the extent of $4,157 million, merely because the average percentage of their reserves has been decreased from 8 to 6 per cent. I doubt that the minister can deny what I am now saying.

If the Minister of Finance will listen to me for a minute, I shall ask him a question which he can answer when replying to questions in general. May I ask the Minister of Finance to listen carefully so that he might be able to answer the following question:

Is it not true that because the average percentage of the reserves will be lowered from 8 to 6.6 per cent, the banks, which will always keep the same reserves in Canadian money, that is $1,492 million, as reported in the latest issue of the Canadian statistical

revue, will have the right overnight to increase their loans automatically by $4,157 million without even having a penny more in deposit? I would like the Minister of Finance to answer that question.

Simply by reducing the average percentage of the reserves, the chartered banks, still having the same reserves, will have the right to grant loans amounting to $22,600 million compared to $18,443 million they are allowed to lend now. It means that the banks are granted the unheard of privilege of lending money without having it, without having anything, in short, to increase the money supply by lending $4,157 million overnight. What does that mean? They are allowed at the same time to increase the interest rate for the first year to 7 per cent. The chartered banks until now made loans at 6 per cent. They had granted loans totalling $18,443 million which brought them $1,106 million in interest.

As soon as the Bank Act goes into effect, the chartered banks will automatically have the right to lend $22,600 million at 7 per cent, which will bring them $1,582 million in interest, that is an increase of $476 million annually, which amount is given to the chartered banks simply by reducing the average percentage of the reserves and increasing the interest rate by 1 per cent. And the banks will grant those loans because as stated by the economic research department of the Royal Bank, on page 6 of the booklet:

> —it is the amount of cash held by the banks which determines the level of the bank deposits.

It is not their own wealth, it is the amount of cash held by the banks, and again I quote:

> The bank money is made up mostly of the banks' balances with the Bank of Canada (the rest is the cash on hand, that is the bills of the Bank of Canada held by the banks).

With the enactment of this legislation which lowers the average percentage of bank reserves and increases interest rates, banks will be able to make additional profits of $476 million annually.

When banks grant loans—if the Minister of Finance will kindly read the booklet from which I am quoting and of which I sent him a copy—they do not loan something they have: rather, they lend on the basis of their currency reserves, the percentage of which is established annually by the Bank Act at 8 per cent, and which is now being lowered to 6.6 per cent by the new act. In order to grant loans, chartered banks do not have to own anything; they only need to have currency reserves to be able to loan twelve times more and, under the bill, fifteen times more, without having anything to back their loans.

Mr. Speaker, before feeling sorry for the banks. I think the Minister of Finance should consider instead the tremendous privilege he is about to grant them through this new legislation, that is the privilege of growing richer by $476 million every year. It will prove to be—and the Minister of Finance should keep this in mind—one of the most serious inflationary measures the government could take. It will be one of the most important inflationary measures in the next few years, since the Canadian people will have to pay for this additional amount of $476 million, not in return for extra goods or services, but rather for the advantage of certain interests which have always been favoured by the Canadian government, namely the eight or nine chartered banks existing in Canada.

Those $476 million in interest paid by the small, average or large borrower will contribute to increase prices, since the interest paid by the industrialist, the manufacturer or the businessman will be added to his production costs and prices will go up accordingly. At the same time, the entire production of Canada will be increased by a percentage equivalent to the $476 million the Canadian taxpayers will have to pay. That is much more costly than medicare would have been in Canada. It is also more costly than an increase in old age pensions, because this additional amount of $476 million in interest which the Canadian people will have to pay will be included in production costs. It will be an inflationary step much more serious than present salary or price increases.

• (5:40 p.m.)

Canada is on a path of decreasing confidence because the value of our dollar is continually falling, and pieces of legislation like this one will contribute to increase inflation even more and lessen the confidence of the people in the Canadian dollar.

Taking into consideration the figures provided by the September 1966 issue of the "Statistical Review" published by the Dominion Bureau of Statistics, if we consider what that increase in the interest rate will cost Canada, if we consider the loans granted by the government to chartered banks, either as treasury bills or direct bonds guaranteed by the federal government for terms of two years or less, or two years or more, either

as indirect bonds guaranteed by the federal government, that will involve even in the first year the new legislation will come into force, an additional outlay of nearly $180 million by the Canadian government, merely for the payment of interests on the federal government debt.

Next year, when the Minister of Finance will present his budget, there will be an increase of $180 million in item "Interest on the public debt" solely due to the change resulting from the amendments brought this year to the Bank Act. That will be another cause of budgetary deficits and tax increases, because the government will have yielded to the demands of banks.

It is said: Yes, but banks cannot compete with other lending institutions giving 6 per cent interest to their depositors because they lend at 11 or 12 per cent or at 9 or 10 per cent.

Mr. Speaker, I say to the Minister of Finance that to allow chartered banks to increase their rate of interest is not a solution; on the contrary, the interest rate charged by all those who misuse our economy today, those who charge interest rates to finance furniture, automobiles, etc., equal to 18 per cent and 24 per cent yearly, should be lowered. Banks should not be allowed to increase their interest rate; besides, other companies should be forced to lower their interest rates, perhaps not at the same rate as banks but in a way to allow competition.

Banks put forward the reason that, by charging only 6 per cent, they cannot grant more than 2½ or 3 per cent interest to their depositors. That is why they cannot compete with trust companies which can give 5½ or 6 per cent to their depositors.

Mr. Speaker, the Minister of Finance should know that that is a false argument since banks do not lend their depositors' money. And that has been recognized by Mr. Graham E. Towers, then governor of the Bank of Canada, when he appeared before the banking committee established in 1940.

Chartered banks do not lend the money of their depositors. They lend something that is entirely ficticious. This privilege is given to them by the very fact that they hold a bank charter. They give new credit when they have reserves of bank currency. They lend having nothing; they do not even need deposits. By the legislation before us today, from one day to the next the banks, without having one cent more on deposit and by the very fact that the percentage of their currency reserves are diminished, will be allowed to lend $4,157 million more.

This proves that banks do not lend the money of their depositors. They do not have the right to do so anyhow, and this was recognized by Mr. Graham E. Towers, as I said earlier, when he appeared before the banking committee in 1939-40.

Banks lend money on trust; proof of this stems from the fact that, with an approximate cash circulation of, I believe, $2,600 million at present, banks have granted loans totalling 18 billion dollars. They have granted loans totalling 12 times the amount of legal currency in circulation throughout Canada. They are thus lending non-existing funds. And, by lowering the percentage of bank reserves, the government is making it possible for them to grant more of these loans.

At present, they have—I quoted this figure a while ago, but I would like to emphasize that point once more—a total cash reserve of $1,492 million to make good their loans. This is what we read in the 1966 issue of Canadian statistics.

With an 8 per cent cash reserve—and this is an exact figure—they have been able to grant loans totalling $18,443 million. If the percentage were lowered to 6.6 per cent, their loans could be increased to $22,600 million, a $4,157 million boost.

Thus, they are not lending depositors' money. They lend new credit. That is why the argument pleaded by the banks is absolutely false whereby they claim they are unable, due to the 6 per cent ceiling on their interest rates, to compete with trust companies and near-banks which pay 5½ or 6 per cent on deposits. The public must be informed of this, so that it might avoid falling into that trap. The public must know that banks have special privileges, just as trust companies and "near banks" do, while credit unions do not.

This is so well illustrated, Mr. Speaker, in the Royal Bank booklet. By reading a few paragraphs one can understand clearly how banks operate. I quote from page 6, paragraph 3:

> Let us assume, for instance, that the Bank of Canada buys from the public, bonds worth $8 million.
>
> It pays off the purchase of these bonds by issuing Bank of Canada cheques. People deposit these cheques in chartered banks. Bank deposits increase by $8 million and the chartered banks return to the Bank of Canada the cheques which it has issued and this, in turn, increases by $8 million the chartered bank balances with the Bank of Canada.

In other words, chartered banks have just been granted an $8 million cash reserve.

> Banks now have an extra $8 million in cash at their disposal, and an extra $8 million in current deposits. If banks previously had $80 million in cash at their disposal and $1 billion in deposits, they would then have $88 million in cash, (80 plus 8), and deposits totalling $1,008 million. The proportion of deposits offset by cash exceeds 8 per cent.

What is done when it exceeds 8 per cent? This is what the following paragraph shows.

> Banks may now dispose of $92 million more for loans, and their deposits will then increase by $92 million.

It is not said that banks have an extra $92 million; no, it is said that they have an extra $8 million in cash and because of this, they may, and I quote:

> Now dispose of an extra $92 million for loans, and deposits will then increase by $92 million if all their loan and bond money comes back in the form of deposits.

Another paragraph which corroborates very well the present argument.

> Therefore, this example goes to show that the purchase of bonds by the Bank of Canada for an amount totalling $8 million has caused an $8 million increase in bank funds, which has brought about a total increase of $100 million in bank deposits and, consequently, money supply.

Mr. Speaker, this information is given by a chartered bank. The Bank of Canada, in one of its monthly letters, admits that when it issues $8 million, in cash, chartered banks hasten to convert this into $100 million. They can do that. They have the $8 million and, all of a sudden, they are in a position to lend $100 million while having only $8 million. How much profit do they make? They have only $8 million, but by lending $7 million at the present rate of interest, which is 6 per cent, they lend $100 million. This nets them $6 million in interest; but they only have $8 million. Therefore, in the final analysis, they make 75 per cent profit on what they have, since they only have $8 million.

• (5:50 p.m.)

The Minister of Finance (Mr. Sharp) finds that it is not enough for the banks to make 75 per cent profit on their assets. According to him that is not enough, so he will authorize them to raise the annual rate of interest on loans to 7 per cent; next there will be no ceiling on their rates of interest and, finally, by increasing their rates to 9 or 10 per cent on household commodity loans, banks can make as much as 135 or 140 per cent profit on their assets.

[Mr. Grégoire.]

Mr. Speaker, to hold a bank charter is to operate the most lucrative business; yet, the Minister of Finance finds it is not enough. He will extend the banks privileges so that, as I said a moment ago, they can boost their annual profit to $476 million, without hiring one single extra employee, even without building one single extra building; overnight, that is as soon as this bill becomes law, the banks will be able to make an additional profit of $476 million annually—I think that the Minister of Finance is giving them a wonderful gift, and, in any event, at the expense of the people, as my friend, the hon. member for Compton-Frontenac (Mr. Latulippe) has just said. And who will pay for all that? That will go into the production costs and the costs will increase even more. And the minister is complaining about inflation.

Mr. Speaker, the minister should not complain because the man mainly responsible for inflation in Canada is the Minister of Finance himself; as a matter of fact, the inflation which prevails at the present time is due to tax increases. In the last three or four years, we have seen the federal government, the provincial governments, the school boards increase taxes more and more, and prices go up; the workers who want at least to keep up with the cost of living are asking for salary increases and the minister talks of inflation. But the man mainly responsible is the Minister of Finance with his continuous tax increases at the federal, provincial, municipal and schoolboard levels in the last three or four years. And with that new increase in production costs due to increased interest rates, a real period of inflation is in the offing.

The government itself will suffer the consequences because that increase in interest rates will be reflected in the first budget after the act goes into force, by an increase of $180 million in the service of the national debt.

Mr. Speaker, the Minister of Finance is doing a great disservice to his country. He is betraying his country for the benefit of the banks and the few millionaires who have always made profits from dealing in money. The Minister of Finance should instead create another system; in fact, he should read that little booklet, which has only two pages and a two-page table, and then say to himself that what the chartered banks are doing, the Bank of Canada will do it too. Then the minister or the government would only have to do exactly what the chartered banks are

doing, namely keep the cash reserves and multiply them by 12 or 15, as it used to be done or will be done under the new act. Then the government would no longer have to keep borrowing from the banks; it would not have to pay so much interest on the national debt; it could develop the country's economy, not by reducing the value of money but by maintaining its real value and the country would experience true prosperity instead of alternating between periods of recession and inflation.

It seems, Mr. Speaker, that the governments are unable to keep us in a happy medium, between the two; when they do not cause a recession, they bring about inflation. We jump from the frying pan into the fire. Periods of recession are always worse after periods of inflation because the money never reverts to the same level, it continues to depreciate. We alternate between the two as if it were impossible to find a happy medium, a period of prosperity without recession or inflation.

Mr. Speaker, for the reasons that I have just set forth and because I believe that this amendment to the bank act is the biggest banking and monetary hoax ever seen, I do not need to tell you that I am completely against the motion for second reading of this bill and I suggest that it should be referred back to experts for drafting with the Canadian people in mind instead of the bankers.

[*English*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, other members of our party have dealt with the amendment that we proposed as being necessary to make this piece of legislation more effective and, as we all know, the amendment was ruled out of order. However, we are still of the same opinion. I will not deal with the arguments advanced by the previous speakers but I do want to mention another aspect of this question. I might mention to the minister that I will follow a more or less philosophical vein in my approach to this matter.

First of all, Mr. Speaker, everyone knows that the program of our party is based on our belief in the need for a mixed economy at this time in history. Of course, one can give different interpretations to those words. We believe that under the present circumstances we can best maintain freedom and work for security and equality so far as possible by the introduction of a program which provides for public ownership in certain fields, for co-operative ownership and for private ownership, all carried out as the result of government planning at all levels in participation with the people or with local groups. Therefore, Mr. Speaker, our group maintains that this measure will not be completely satisfactory or effective unless it is amended along the lines we propose.

I understand that other speakers in our group will bring forward various proposals when the bill reaches the committee stage, and I am sure the minister will listen to them. However, I also maintain that this measure affects only one aspect of banking. This measure will never be satisfactory unless it is coupled with the Bank of Canada Act and designed to serve the credit needs of all the levels of government in Canada. This measure would serve the immediate and short-term requirements of the private sector of the economy.

I should like to draw the minister's attention to the following. I have always been interested in the attitude of the Liberal party toward banking throughout our history. Not long ago I read that when Gladstone was prime minister of Great Britain he made a very interesting speech in which he recognized that the banking fraternity of Great Britain was more powerful at that time than the government. I commend that to the minister's attention. I understand that was the first time in the history of the Liberal party that a prime minister of a country like Great Britain recognized the strength of the banking fraternity compared to the government.

I remember quite well that the late Right Hon. Mackenzie King indicated that those who had control over the banking institutions of the country, those who issue currency and credit, have control over the economy. He recognized that. Quite recently I was looking at *Hansard* at the time the Bank of Canada was first formed. I should like to refer to the late Hon. Ian Mackenzie. I may say, Mr. Speaker, that the minister might be interested to know that at the time I was vice president of the British Columbia Liberal Association Hon. Ian Mackenzie and the late Gerry McGeer were sponsors of a resolution at a provincial party convention in British Columbia in which they urged the nationalization of the banks of Canada. Of course, that was in 1932 in the depression years and they thought it was a good move at that time.

Proceedings on Adjournment Motion

I quote from page 4362 of *Hansard*, June 27, 1934, where Right Hon. Mackenzie King is reported as having said:

I should like to read again the words quoted by the hon. member for Vancouver Centre. Referring to the control of credit and stating the position of the party with respect to the control of credit, I said:

"The Liberal party believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank, to perform the functions of rediscount, and the control of currency issue, considered in terms of public need. A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange."

• (6:00 p.m.)

Then he went on:

I desire to direct special attention to these words: "—a properly constituted national central bank—" Also:

"To perform the functions of rediscount, and the control of currency issue, considered in terms of public need."

Shall I call it six o'clock, Mr. Speaker?

Some hon. Members: Continue.

Mr. Herridge: Mr. Speaker, I am being incited to further action.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. Pursuant to provisional standing order 39A it is my duty to inform the house that the questions to be raised at the time of adjournment this evening are as follows:

[*Translation*]

The hon. member for Sherbrooke (Mr. Allard), Historic sites—Quebec—demolition of home of Sir Alexander Galt.

[*English*]

The hon. member for Parry Sound-Muskoka (Mr. Aiken), Shipping—obstruction of navigation by bridge construction; the hon. member for Regina City (Mr. More), Royal Canadian Mounted Police—request for retention of musical ride and equestrian duties.

[Mr. Herridge.]

MOTIONS FOR PAPERS

SEAFARERS' INTERNATIONAL UNION—COMMUNICATIONS BETWEEN MARITIME TRUSTEES AND DEPARTMENT OF LABOUR

Mr. Frank Howard (Skeena) moved:

That an order of the house do issue for a copy of any communication exchanged between the Maritime Trustees, or other organizations and other persons, and the Minister of Labour or any official of the Department of Labour, with respect to the Seafarers' International Union.

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

Mr. Howard: Mr. Speaker, I thought that with that question the motion was going to pass without any discussion, which of course is the way the government always likes to operate things. I will refrain from reading the motion again because you have just done so, but may I at the outset say that it is not my usual course to expose to the glare of publicity the private or inner affairs of any organization. The internal operation and functioning of a voluntary, private group of people such as those embraced by trade unions should be the affair of that organization alone. To drag out into the glaring light of publicity such affairs, with all the misinterpretations that can flow from such action, is a course to which I do not normally subscribe. However, in this situation the circumstances of history are peculiar and I think necessitate a more formal and public disclosure of some of the activities of the Seafarers' International Union than would otherwise be the case.

The public first became involved through government action in this matter when the government headed by the right hon. Leader of the Opposition (Mr. Diefenbaker) appointed Mr. Justice Norris as a royal commissioner to inquire into certain matters in which the Seafarers' International Union were involved. The hearings of that commission ranged over a long period of time, and some people make the direct accusation that partly because of the responsibility of the commissioner himself and partly because of his bias and prejudice the hearings resulted in the blackening and defaming not only of the organization itself but of a number of individuals within it whether or not there was justification for this sort of defamation. In addition to that, Mr. Speaker, and in addition to the royal commission of inquiry and all of the publicity attached thereto, certain members of parliament, some of whom do not sit too far away

from me, seem to have delighted themselves in harassing both the union and the individuals within it, or individuals who used to be within it, which again is a sort of public involvement in the affairs of an organization of individuals.

Parliament also became involved in the operations of the Seafarers' International Union and other unions when it passed a law establishing a trusteeship to take over and conduct the affairs of certain unions, a trusteeship, incidentally, which I understand expires at the end of this year unless the government takes action to keep it in existence.

It might be well to note that our position on this question is shown by a bill which I have on the order paper seeking to repeal the maritime trusteeship act immediately without waiting for its normal death at the end of this year. By repealing this act we will thus remove the possibility that the government, as a result of pressure from sources unknown, may seek to extend the term of office of the trustees.

Because of the publicity attached to the operations of the Seafarers' International Union there have arisen a number of false accusations, smears and innuendos on the part of individuals with particular axes to grind, either because they have become upset at not having won election within the Seafarers' International Union or for some other reason. These people have solicited the aid of members of parliament who have used the floor of this House of Commons to carry out a persistent attack.

This attack, which has been diminishing in recent months, has caused so much concern to the union itself—as I say, most of these accusations are false and are innuendos made for particular and narrow purposes—that it has had a deleterious effect upon the employees of shipping companies as well as a damaging effect upon the well-being, the welfare, the wages, hours and working conditions of sailors. This is because the organization to which they belong has been hampered and harassed by the spate of accusations which have poured forth as a result of public and government involvement in this one private organization. There is no question, Mr. Speaker, that certain ship owners rub their hands with glee at such a situation, and I am told they have been responsible in part for financing the continued tirade against this particular group.

• (6:10 p.m.)

As I said, Mr. Speaker, I am not one of those who believe in delving into the private affairs of organizations but things have got to the point where I think it is necessary to bring out into public light, as the motion requests, any communications exchanged between the maritime trustees, the group established by this parliament to be responsible for administering the affairs of certain unions operating on the seaway and in waterfront areas, or any other organizations and persons, and the Minister of Labour or any official of the Department of Labour, with respect to the Seafarers' International Union so they can be exposed now to public scrutiny. In this way we can discover, if it is possible to discover, whether in the opinion of the maritime trustees there was any wrongdoing on the part of individuals. If there was wrongdoing on the part of individuals, then the responsibility devolves on the Minister of Justice to take corrective action, to engage in any necessary litigation in order to punish those who may have been involved in wrongdoing, and also to see that those whose names have been smeared from one end of the country to the other are cleared by the exposing of information which the maritime trustees have had at their disposal. They have been the administrators of the union.

The purpose of the motion is to seek to make public these documents purely for the purpose of clearing those who are innocent and, if there are any who are guilty, to disclose the extent of their guilt so that all can see what has occurred. In that way one can insist that the government take the necessary corrective action to deal with those individuals if they have done anything contrary to the Criminal Code which requires prosecution.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I am very happy to rise on this occasion to speak on the motion for papers presented by the hon. member for Skeena. I will preface my remarks by going to the meat of the motion at the outset. The hon. member is asking:

> That an order of the house do issue for a copy of any communication exchanged between the Maritime Trustees, or other organizations and other persons, and the Minister of Labour or any official of the Department of Labour, with respect to the Seafarers' International Union.

May I preface my remarks by saying that this is that part of the supper hour used for private members' business. At this time we study private bills and motions. I hope no

one will say that we ought to be getting on with the business of the house. I want to make sure that my remarks are understood, because if I did not speak on this subject in private members' hour somebody else would.

An hon. Member: Nobody is interested.

Mr. Woolliams: I support the motion but not the reasons for production given by the hon. member for Skeena. In his argument he mentioned the fact that there were members sitting not far away who knew about these matters. He sought by innuendo to malign certain people who have been interested in the operations of the Seafarers' International Union. He used the opportunity given by the House of Commons to malign those people. I assumed he was talking about the member for Bow River, the member who continually asked questions about Hal Banks.

Mr. Howard: Do not presume too much.

Mr. Woolliams: My hon. friend from Skeena has said I should not presume too much. If I am wrong in my presumption I would ask him to stand up and say that my presumption is wrong and I will go to another argument. Unless he does so, I shall continue with the line of argument I have in mind.

Mr. Howard: Mr. Speaker, far be it for me to interrupt the hon. gentleman, even at his own request.

Mr. Woolliams: I never thought there was another minister of external affairs in the house. I now know that there is another hon. member with the same qualifications.

First, I want to deal with the report of Mr. Justice Norris, who was an independent commissioner. Nowhere has it been suggested, even if he had political affiliations, as some judges have, that he had any affiliation with the S.I.U. I am certain that whatever finding he made about Hal Banks, the past president of the S.I.U., and about any other president of the S.I.U., such finding was not made because he was a Liberal, a Conservative or because he belonged to some other party.

After hearing the witnesses, reviewing the evidence before the commission and reading the documents, Mr. Justice Norris came to the conclusion—I do not have the report with me at the moment though I have read it on several occasions—that Hal Banks—and there is some proof of this fact because he had been convicted in the criminal courts of this country—had a criminal record as long as my arm and that he had come to this country under very unusual circumstances. I do not mind putting those on record. I think the Minister of Transport knows something of this.

Hal Banks was brought in because the government of the day wanted to kill the Communist movement in the unions in Canada. So they brought in a man who had a criminal record as long as my arm. In reviewing the activities of the union one finds that Hal Banks while he was president, and in spite of his unusual investment of union funds, accomplished certain things. I will not use the privilege of immunity in the House of Commons in order to slander anybody. I will not go into details. My hon. friend from Skeena and others in the House of Commons Commons know what these unusual things were.

The judge described Banks in certain terms. He described him as a criminal, a barbarian and a hooligan who would stop at nothing for his own ends and who used the union for his own advantage.

I am one of those who believe that the unions of this country certainly deserve better leadership. They have a serious responsibility to the workers and they deserve better leadership than Banks or Hoffa or others like them gave. The documents in question might show that to be so. It was recommended in the report that Hal Banks be prosecuted for certain offences. That report was laid before this house shortly before our defeat as a government.

When the new government came in, because of pressure and probing from this side of the house Hal Banks was finally prosecuted. He was found guilty by a court of this country. He then filed an appeal. He got out on bail under very unusual circumstances and escaped to the United States. It turns out that the offence for which he was convicted is one of those to which extradition does not apply.

In this session of parliament, and I am not talking about the past few days since the adjournment but about the session from the beginning, I have continually asked the Minister of Justice why, when there is evidence that Hal Banks is guilty of a crime, he is not charged with that particular crime. I have asked why he is not charged and brought back to Canada by extradition proceedings.

The present Minister of Justice, the past minister of justice and the minister of justice

before that have argued or suggested, especially the present Minister of Justice, that they cannot get the documents from the files of the Supreme Court of Canada. We are talking about documents that should be produced having to do with the trustees and the officers of the S.I.U. The minister says that they are having difficulty.

• (6:20 p.m.)

What I suggest is happening now is that because of the atmosphere surrounding the Hal Banks investigation the Liberal party—there is certainly some atmosphere in this regard because of the manner in which Banks was brought into the country and the questions which were left off his application, giving him the right to come into this country—does not want him back. So the Minister of Justice is hiding under a cloak. He says he cannot get the documents from the Supreme Court of Canada. Why does he not lay charges, bring Banks back into the country and proceed with the appeal, if it has not already lapsed, so that Banks can start serving the five years which I believe he was given for the offence of which he was convicted? He is one of the few Canadians who has been found by a high court judge to be a hooligan, a barbarian, to have committed fraud against a union, and then to have been given bail, allowed to escape and remain in the United States.

Mr. Byrne: The same old record.

Mr. Woolliams: Yes, the same old argument. The argument will never change. I can understand why the hon. member says "the same old record". It is because he does not wish to see laid bare before the House of Commons the charges which have been made with regard to certain contributions made by Hal Banks and the S.I.U. to the Liberal party. He does not want it to be brought out before the House of Commons that the application relating to Banks' admission to Canada was typed in a cabinet minister's office and that the question whether Banks had a criminal record was omitted from the application. I can understand why members opposite want to heckle me. The hon. member said this was the same old speech. Well, it is the same old Hal Banks, the same old hooligan and the same old barbarian. That answers the heckling over there.

I suggest that the Minister of Justice might tell the House of Commons in the course of the next few days that he has got these documents from the files of the Supreme Court of Canada and that they show Banks to have committed another criminal offence in Canada which would make him liable to extradition and forcible return to this country.

I shall pursue another line of thought. When the hon. member for Skeena (Mr. Howard) talks about individuals being maligned, surely he is not telling us, as a union man, that the kind of leaders he wants in the unions are men like Hal Banks and McLaughlin? The hon. member says Banks was a victim of prejudice and bias. I would like the hon. member to show me any evidence that there was any bias as far as Mr. Justice Norris was concerned in regard to the S.I.U.

Mr. Howard: Evidently the hon. member did not listen to what I said.

Mr. Woolliams: I am sorry. I listened carefully to what the hon. member said and if I am wrong I hope he will correct me. As I understand it, he said the judge showed some bias.

Mr. Howard: The hon. member needs a little lecture on facts. What I said was there were some people who claimed that Judge Norris was biased and prejudiced and that he expressed that bias and prejudice by the way in which he handled the commission.

Mr. Woolliams: That is an old trick of the trade, to say you have listened to experts and are merely using their words in the House of Commons. I was not born yesterday. It is an old trick to say: I am not going to say that but I heard a dirty little rumour to that effect. I should like the hon. member to tell us whether in his opinion there was bias and prejudice.

Mr. Howard: I will say this to the hon. member: I have not the ability to pore over the report and look for ways and means of carrying out smear by innuendo. Mr. Harold Banks is not the person I am speaking about. There are others. If the hon. member wants to carry on in this way seeking to destroy something which is worth while, that is his business. But I do not intend to be taken in by his legal gobbledegook. If he wants me to become involved in explaining to the House the relationship between his party and some individual contributors and the nefarious way in which contributions are made to his party I will be glad to do so because I have the information available, but I do not want to become involved—

Some hon. Members: Oh, oh.

Mr. Woolliams: The hon. member is using the tactics he used five minutes ago. To answer his interruption I will say this: there is a by-election being fought in Alberta, in Pincher Creek. Social Credit are running, the Liberals are running, the Conservatives are running and the N.D.P. are running. But the N.D.P. is the only party which is using six paid organizers from the union organization every day throughout the election. These are the contributions which people should know about.

Surely the hon. member for Skeena is not sensitive about the subject of Hal Banks. If he is, it is a pity, because I intend to say a few more words about Mr. Banks and Mr. McLaughlin in reference to the leadership of the S.I.U. I want to say these things because they are based on facts.

The hon. member has to use the method of operating a smear campaign against my speech hoping he will get a small headline saying that the member for Bow River is trying to smear poor old honest Hal Banks. Isn't that a comedy? Poor old honest Hal Banks, the man who was sentenced and who escaped across the border. They knew he was going to escape but he got bail. I am sorry I have hurt the sensitivity of the hon. member for Skeena with his affection for men like Hal Banks and McLaughlin whom Mr. Justice Norris described by the adjectives I have already used.

Mr. Howard: Do not use such scurvy tactics.

Mr. Woolliams: I shall not allow myself to be tempted to get down to the hon. member's level because I have never been expelled from this House of Commons, as he has been because of the adjectives he used.

Mr. Howard: More scurvy tricks.

Mr. Woolliams: I realize the Liberals would like me to take on a fight with my good friend from Skeena. I am not surprised. They are all in the same position. I was heckled by a member from British Columbia, one of the parliamentary secretaries who is close to the Department of Labour, so I am not surprised they are in the same boat.

Of course, I have always said that eventually all socialists will be on one side of the House, one or the other. That will be good for the country because we could then bring them out from hiding. I see one of them on the other side who might be in hiding. He is smiling.

[Mr. Howard.]

An hon. Member: We are all smiling.

• (6:30 p.m.)

Mr. Woolliams: I am glad you can smile. The whole story of Hal Banks is a serio-comedy. I shall ask one question before I sit down. I should like to hear the Minister of Justice tell us that they have the document from the Supreme Court of Canada, they have the evidence on which to lay a charge against Banks, and that they will bring him back to Canada to serve the sentence he is facing now together with a concurrent sentence if he is convicted in another court. Without that kind of fairness, equity and law, we shall have played ducks and drakes with the system of administration in this country. I have asked for this. I have continually pressed for it, and these documents may show it.

I shall end with one last thought. When the trustees were brought before the committee we wanted to examine them to discover whether fair methods had been used in the election of McLaughlin to the presidency of the S.I.U. But one of the trustees returned to British Columbia. He was a judge and he was not examined.

Another witness did not give evidence. The chairman of the committee ruled against us securing the documents so that we were never able to get the real story about the S.I.U. and about the election of McLaughlin, who was a pal of Banks and was painted in the same terms by Justice Norris. I would like to have those documents produced and others as well because I believe they would tell a beautiful story.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, when we started private members' hour at six o'clock I had great hopes that we might stick almost religiously to the issue before us, namely, the notice of motion for the production of correspondence between the trustees, the Department of Labour and other departments, but predictably the contributions so far, particularly that of the hon. member for Bow River (Mr. Woolliams), have revolved around that member's favourite subject, Hal Banks.

I have to admire the tenacity of the hon. member because ever since I came to this house in 1962 he has made it his personal responsibility at every opportunity to pass opinions on the merits of Hal Banks. I do not think anybody in this chamber needs to be

convinced that Hal Banks was an undesirable addition to the labour force of Canada.

Mr. Woolliams: Good.

Mr. Mackasey: Nor do I think the hon. member is revealing any secrets when he suggests that Banks was brought into this country in the mid-fifties with the collusion of the government and the labour movement, including Mr. Jodoin and others, for a specific purpose, to clean up a rather unsavoury situation that existed at that time. That has been said before in the house and I am not denying it, but I would prefer to talk about the question of the production of these papers rather than about the subject matter about which the hon. member of Bow River has spoken at great length.

I am sure the hon. member remembers another occasion when he and I discussed the same issue during the debate on the estimates of the Department of Justice earlier this year, when the former minister of justice, the hon. member for Kamloops (Mr. Fulton), participated in that debate very constructively and objectively.

I asked the question why, since Mr. Banks' crimes were public knowledge, particularly in shipping and union circles, as a result of the courageous declarations of Captain Walsh and other people, the minister of justice between 1959 and 1962 did not bring Banks before a court of law. As a matter of fact, the Norris commission was set up by the minister of labour in the Conservative government two months after the general election in 1962.

I am not questioning the motives of the then minister as to why he waited so long, because I have the highest regard for the present hon. member for Ontario (Mr. Starr). The former minister of justice, the hon. member for Kamloops, admitted quite frankly, that it is one thing to know of the escapades of Hal Banks and another one to prosecute him with any degree of certainty that the prosecution would be successful.

As recorded at page 11407 of *Hansard* for February 17, 1965, the former member for Carleton asked a series of questions about reports on the conduct of Hal Banks. His first question was:

Did the department of Justice, in 1958—

The date is significant.

—through the R.C.M.P., conduct an investigation to determine if Hal Banks had been employing intimidation and violence in the furtherance of union activities?

The answer was:

Yes. In November, 1958, the Minister of Justice instructed the R.C.M.P. to conduct an exploratory investigation—

The second question was:

Did the government on February 23, 1959—

Again the Conservative government.

—as a result of the aforementioned investigation, receive a full account of the conspiracy which resulted in the Walsh beatings?

The answer was:

The R.C.M.P. advise that on February 23, 1959, they forwarded a preliminary report to the Minister of Justice, under secret cover, outlining the findings of their investigation into the activities of Hal Banks, which included an account of the conspiracy to beat Captain Walsh.

In 1959 the minister of justice of the previous government was informed by the R.C.M.P. of the evidence available from Captain Walsh as to the alleged beating by Hal Banks.

The third question was:

Was any action taken by the government of that day to bring Banks to trial as a result of that evidence?

The simple answer to that question was no. Another question was:

Was another report, which included a further account of the Walsh conspiracy, sent on June 14, 1961, to the government by the Department of Justice?

The answer to that question was:

The R.C.M.P. advise that on June 14, 1961, they forwarded a further report to the Minister of Justice, under secret cover, which enlarged on their findings with respect to Hal Banks and the general picture of the S.I.U. activities, including further information with respect to the beating of Captain Walsh.

Mr. Prud'homme: Was the hon. member for Bow River (Mr. Woolliams) here then?

Mr. Mackasey: I do not know where the hon. member was in those years, but the important point is that the R.C.M.P. did report on the activities of Hal Banks to the previous government in 1959 and again in 1961, and the minister of justice of that time, after receiving those reports, still felt there was not sufficient evidence to bring Hal Banks to trial.

I for one do not question the motives and integrity of the previous minister of justice. I think he made his decision and his finding in good faith and with the full knowledge that the senior officials of his department placed at his disposal. When we get into this kind of thing—

Mr. Prud'homme: Did he report to the prime minister?

Mr. Woolliams: I rise on a point of privilege with reference to the former minister of justice, and I know the hon. member for Verdun (Mr. Mackasey) would want to be fair in this regard. He read the Norris commission report, and I point out that at a commission hearing you can examine and cross-examine witnesses. On the other hand, the hon. member knows that in a prosecution you cannot cross-examine your own witnesses, and it was only after the Norris commission was established that witnesses were able to come forth and volunteer to give evidence.

It was because witnesses volunteered, as a result of the Norris commission, that the legal officers of the department were able to lay a charge against Banks. This type of thing is total misrepresentation. I have heard it on political platforms and I have heard it previously in this house, and it is no answer to the question of why a charge was not laid by the previous minister of justice at that time. This is not being fair to him.

The fact is that until the commission was set up witnesses were scared. People had had rocks thrown through their windows. They lived in terror. This was the rule of the hooligan, but as soon as the commission was set up witnesses volunteered to come forward because they could have the kind of protection that would allow them to tell the truth, the truth which finally convicted this man and forced him to flee to the United States. I want to raise that point of privilege on behalf of the former minister of justice who is not here.

• (6:40 p.m.)

Mr. Mackasey: After having listened to the second speech of the hon. member I might say that I agree with him but he did not give me the opportunity to continue to read *Hansard.*

Mr. Woolliams: I heard your speech before.

Mr. Mackasey: And I heard yours before; they are as stereotyped as usual. I was going to go on to say that on that particular date in February I raised the specific argument I am raising now in front of the then minister of justice. I was very satisfied, and that is no reflection on the man. He pointed out to me that he could not prosecute Hal Banks before for the very reason the hon. member stated, and which I had intended to state if he had held on a little longer. Certainly as a result of his most just explanation to me I understand there is more flexibility and freedom given to a royal commission than to a court of law, but it still makes us wonder when we know that it took four years—and we are not passing judgment on the minister—from the first report of the R.C.M.P. in 1958 to institute the royal commission to look into the affairs of the S.I.U. and Banks.

I do not think any party in this house can wash its hands of Hal Banks. We are all guilty, if we are guilty of anything, including the party of the hon. member for Bow River, and I am surprised that he brings it up because I think that on balance his party is equally vulnerable if not more so.

I should like to get off the subject of Hal Banks because that is not the point the hon. member for Skeena brought up. The hon. member for Skeena has shown partiality with regard to the affairs of the S.I.U., and I commend him for it. The S.I.U. plays a big part in the labour movement and it does not have to hang its head in shame. It is doing an excellent job at the moment. In co-operation with the trustees it has restored peace on the waterfront. I hope the day is not too far away when the S.I.U. will be free of the shackles of the trusteeship. That is not my decision to make. It will have to be made in the light of the report of the trustees who may make that recommendation at the end of this year. That is incidental.

I also commend the reasons the hon. member for Skeena presented, namely, that he wanted these papers to clear the names of certain persons. I would suggest humbly to the hon. member for Skeena that there is no agitation any longer. We have peace on the waterfront and Red McLaughlin, regardless of how Judge Norris castigated him, is at this very moment doing an adequate and satisfactory job, under the supervision of the trusteeship, as head of the S.I.U.

There is something more fundamental, and I think this really is what the motion is all about. I refer to the advisability of producing papers which are the property of the trustees. I think that as one of the better known lawyers of this country the hon. member for Bow River could have done a service to members such as myself and others if he had explained the rights of the trustees and how the very word "trust" or "trusteeship" is going to have any effect or validity in operation if we are going to destroy that trust which is implicit in the mandate of the trusteeship by taking confidential documents and correspondence between the Department of

Labour and the trustees in respect of the findings by the R.C.M.P. and their criticism of the S.I.U. and make them public periodically whenever anybody, well-intentioned or otherwise, asks for these documents. In that way the whole principle of the trusteeship would be destroyed.

The hon. member for Skeena did mention that it is not his normal practice to demand that the normal dealings of people, unions or business be made public for everybody to peruse, but he feels there are circumstances here which are more important involving the clearing of the names of certain individuals. I disagree with him. I think the whole question of the production of papers is a very contentious point under our parliamentary system. I have said this before. In this house we follow a pattern half way between the British and Swedish systems. I am sure most members are familiar with both systems. In Britain, as you know, the whole philosophy behind the production of papers is that everything is secret and only under exceptional circumstances are private papers or documents brought to public attention. The secrecy is so binding that not only does it apply to members of the House of Commons and members of the House of Lords but even to contractors who are doing jobs for the government in Great Britain. On the other hand, Sweden has a different philosophy and perhaps a more logical one in that everything is public with the exception of certain categories which are secret.

In Sweden they carry this to a logical conclusion, even to the extreme that in the cities of Sweden today, whether you are a newspaperman, a private citizen or a trade union man, you can go into large rooms in certain public buildings and demand or request, just like you do in a city library here, documents which under our system are considered secret. But even under this advanced method of dealing with documents and production of papers there are certain categories—four, if I recall accurately—which are considered to be secret and confidential and which cannot under normal circumstances be made public. The papers of the trusteeship fall into one of these categories. Therefore under the British system you would not get the papers and under the Swedish system, of which I approve because it spells out the conditions and categories in which papers are or are not available, papers such as the hon. member for Skeena has requested in good faith are not available.

The hon. member for Bow River talked about the committee on industrial relations and stated that the chairman refused to submit all papers. By a strange coincidence I was the chairman. I remember the situation very well. The hon. member for Bow River said I blocked off all access to all papers, but that is not the fact. As a matter of fact, in respect of the request by certain members of my own party I took the stand that certain documents should not be made public. I ruled against those hon. members, including I think one who will be speaking this evening. When it came to the specific papers which originated from the trustees I ruled, and I would rule again if I were in the same position, that you cannot have a trusteeship if you are going to take its papers and make them public. I am surprised that the hon. member for Bow River, who is a very experienced and senior member of the bar, should, of all speakers, not want to protect the rights of the trustees. I would think he would want to commend the fact that these papers are private.

The hon. member mentioned the fact that labour people are running around the country working for the New Democratic party. What about it? Labour in this country has the right to support whichever party it likes. Labour has as much right to support a political party as has big business to support the hon. member for Bow River. I see nothing wrong with that, nor do I see anything wrong with labour contributing to political parties just as big business contributes to the party of the hon. member for Bow River or any other party.

Since when has labour been denied the rights which other organizations have in this country? All of a sudden these contributions are bad because they came from one Hal Banks.

Mr. Woolliams: Would the hon. member permit—

Mr. Mackasey: I have listened to your speeches before.

Mr. Woolliams: Would you permit one little question?

• (6:50 p.m.)

Mr. Mackasey: Certainly I will.

Mr. Woolliams: Do you agree with the union system whereby deductions are made from the pay cheques of union members and then sent to political parties?

Mr. Mackasey: No, I do not.

Mr. Woolliams: I am glad to hear that. That answers the question.

Mr. Mackasey: It does not answer the question. I do not approve of certain things that happen within the labour movement whereby weekly deductions are made from pay cheques and sent to specific political parties. I do not agree with that and I venture to suggest that most of the members of the party to which I belong do not agree with it. The situation to which I refer was adopted as a result of a majority vote of the members of a specific union. It is to the everlasting credit of the labour movement in this country that its members, when they go to the polls and stand behind the screen, vote freely and according to their own beliefs. They do so because they feel that whoever they vote for will represent their best interests. If they vote for the labour member in Verdun they vote for me because I represent their point of view in this House of Commons, and I represent the labour line. I am becoming very impatient with people who continuously attack the labour movement in this country. Someone seems to be getting up every day attacking the S.I.U. and the railway unions, insinuating that something is wrong with labour unions and that everybody who belongs to the labour movement is a Hal Banks or a Jimmy Hoffa. These attacks are unfair to the labour unions. If these people wish to support the N.D.P. in good spirit they should do so through voluntary contributions. Surely that is a lot better than having big businessmen hiding in their offices and feeling that because they have sent $5,000 or $10,000 to one political party they have done their duty as Canadian citizens.

Let me return to the issue at hand, namely, should we or should we not produce the particular papers which the hon. member for Skeena has requested? Let me state to that hon. member that I hope he will withdraw his request because I do not think it is in the best interests of the S.I.U. and the labour movement generally to produce—

The Acting Speaker (Mr. Rinfret): Order, please. I regret to interrupt the hon. member but the time allotted for his speech has now expired. I recognize the hon. member for Trois-Rivières.

Mr. Mackasey: Mr. Speaker, I rise on a question of privilege. Did you take into consideration the time taken by the tirade of the hon. member for Bow River?

[Mr. Mackasey.]

The Acting Speaker (Mr. Rinfret): Yes. We do have three clocks in this chamber and I also have the assistance of the Clerk in keeping track of the time used by members.

Mr. Mackasey: I was referring to the time taken by the hon. member for Bow River during his interruptions.

The Acting Speaker (Mr. Rinfret): I have taken all the interruptions into consideration.

Mr. Howard: Mr. Speaker, perhaps I may be allowed to rise on a question of privilege before the hon. member for Trois-Rivières begins. Somebody on the other side will obviously talk this motion out and I think we might as well allow the hon. member for Verdun to do so as he seems so anxious to carry on.

The Acting Speaker (Mr. Rinfret): I do not believe the hon. member for Skeena has a question of privilege.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, as an independent member, I must admit it is not exactly edifying to hear both official parties telling each other that they cannot wash their hands of the responsibilities concerning the Hal Banks' case. I am also under the impression that this discussion will not add to the credit of the two old traditional parties so far as public opinion in Canada is concerned.

As for me, I was extremely pleased to see, for instance, that duel, that fencing bout between the hon. member for Skeena (Mr. Howard) and the hon. member for Bow River (Mr. Woolliams); both are brilliant parliamentarians but I think that is about all the usefulness of such a debate, for one must keep in mind the old French saying, which goes like this: Let sleeping dogs lie.

That Hal Banks' affair has been evil-smelling from beginning to end. I think it most desirable for the Canadian people to forget about it and even to forget about Hal Banks.

I do not think there would be advantage in spending money to have him returned here; the farther he will be the better for everyone concerned.

I cannot support the motion and I cannot support either the assertions—clever perhaps—which leave a rather strange taste of blame concerning the Norris inquiry.

I followed personally with deep interest, from beginning to end, the situation at the time of the extreme troubles caused by the S.I.U. I was then mayor of my municipality and I saw in my hometown union organizers knocking people with baseball bats; I saw them terrorize part of our people. I had to threaten the vice president of that union with the sanctions provided by the Riot Act. I had to order that about 40 persons be put in jail, I think, in an attempt to maintain law and order in my municipality.

I then have reason to say that the Norris inquiry has been worthwhile and has been well conducted. I think the production of all that correspondence would add nothing at all to the matter involved because, first of all, it may be used by politicians of various affiliations to continue making insinuations on the hustings, only to complicate the situation. I will object therefore to the production of these documents perhaps not for the reasons already mentioned here tonight, but to end those smear tactics and deal with more constructive matters.

Before resuming my seat, if I am allowed to express a comment as an independent member of this house, I do not think that the supporters of any party in the house, have any advantage in smearing one another, as they do, in recalling contributions to election coffers coming from individuals of questionable and sometimes alarming reputation. That would not enhance the parties at all and it would be better to hide those matters under the cover of discretion and deal instead with constructive legislation.

Mr. Speaker, I will conclude my remarks by saying that it is seven o'clock.

The Acting Speaker (Mr. Rinfret): Order. The hour for private members' business being expired, the house will now revert to the business interrupted at six o'clock.

[*English*]

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The house resumed consideration of the motion of Mr. Sharp for the second reading of Bill No. C-222, respecting banks and banking.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, when we called it six o'clock in order to consider private members' business I was quoting from a speech made by Right Hon. Mackenzie King on June 27, 1936. This quotation is to be found at page 4362 of *Hansard* for that date. I should now like to quote briefly from that page. Mr. King stated:

> Note "in terms of public need" not possible private gain.

Later he said, speaking on the same subject:

> The Bank of Canada, as constituted by this proposed enactment, will undoubtedly be the means of vesting in the Bank of England—

At this time that should be changed to the New York exchange. I continue:

> —the management and control of Canada's foreign exchange and Canada's internal credit administration. As I said the other evening, once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and of democracy is idle and futile. Those are strong words; they constitute a strong argument and they are words of which this house ought to take full account before it is too late.

As I said before, Right Hon. Mackenzie King mentioned the Bank of England but because of the change in circumstances we should substitute the New York exchange.

I found that even the Conservative party took a similar point of view and I wish to quote briefly from a speech made on April 2, 1935 as recorded at page 2323 of *Hansard* for that date. Mr. Stevens was then the member for Kootenay East and he is recorded as having said:

> • (7:00 p.m.)
>
> Why in the name of heaven do we not go to work? I will tell you why—because the credit of the country is in the control of a very small number of men and is not actually available except at costs that are too high or on conditions that are too onerous.

So here we have a former minister of the Conservative administration making the same criticisms of the banking system in this country. My speech will be dealing briefly with a package deal, as it were, namely, the relationship of this bill to the Bank of Canada Act and the Industrial Development Bank Act.

An amendment was moved by one of the members of this party because after serious consideration we thought it would do something to improve the effectiveness of the bill. However the amendment was ruled out of order. I am sure the minister knows—we know—that there is considerable dissatisfaction in his own ranks with the terms of this bill.

Mr. Boulanger: How do you know? You are guessing.

Mr. Herridge: Well, people express themselves freely in a free parliament—behind the curtains. The government has refused to accept our amendment and I believe it lost an opportunity, by not accepting it, to debate the points raised in the amendment. I believe the amendment, if carried, would have made some sections of the bill more effective. In spite of the remarks made by Right Hon. Mackenzie King and Mr. Stevens, a former minister of a Conservative government, and others, governments at all levels in this country continue to raise loans in the United States, because that is the place to go at the present time and under the present circumstances.

As I see it, under this bill the private banks provide the capital for the day to day requirements of persons and industry in this country, usually on a reasonably short-term basis. That is the purpose of the bill, as I understand it. We all know that the banks do not lend the investors' money. It is very often said that they lend the money persons have deposited in the banks. We all know that they create capital by bookkeeping entries. That is recognized. Mr. Mackenzie King recognized that, as anyone can see who has read that speech in full, and others that he made.

We should combine these three pieces of banking legislation. As I see it, the Bank of Canada should provide the social capital required for all levels of government, based on our natural resources, our industrial equipment and on the capacity of the Canadian people to produce. That is the way credit is issued in the United States. It is issued on no other basis.

We cannot understand why we cannot use the Bank of Canada, as one segment of our banking system, to this effect. This social capital would provide the opportunity for the building of highways, hospitals, schools, parks and the carrying on of socialized industries and other services. That is the way this capital is raised at the present time, and I think it is most unfortunate—

[Mr. Herridge.]

Mr. Nugent: Mr. Speaker, I rise on a point of order. Perhaps the hon. member would pardon my interrupting his speech. It seems to me that when we formed the government we always had at least 20 members in the house, particularly if we wanted to pass some legislation. There are five Liberal members on the other side of the chamber, and there is not a quorum in the house now.

Mr. Byrne: You did not sit during the dinner hour.

Mr. Herridge: I think the hon. gentleman is splitting hairs in the particular circumstances under which we are operating.

Mr. Nugent: I did not think a reference to a lack of quorum was splitting hairs, certainly if the government is interested in this legislation. I never saw a time when we formed the government when we did not make sure that we had enough members in the house to ensure a quorum, no matter whether opposition members were present or not. If this business is worth carrying out and the government believes in what it is trying to do, I would think the government ought to make sure it has enough members in the house to enable it to carry on the business before the house. I suggest, Mr. Speaker, that the rules require a certain number of members to be present before we can carry on our business.

Mr. Byrne: The hon. member may be interested to know that there are only four Conservative members in the house at the present time; and I would point out that during the years the Conservative party was in power we did not sit during the dinner hour.

Mr. Nugent: I do not think it matters that the government has now changed the rules and finds itself unable to cope with the rules it has passed. A quorum is 20 members, Mr. Speaker.

Mr. Speaker: Hon. members know what the situation is so far as the quorum is concerned. I think that by tradition, custom and practice the Chair does not raise the matter of a quorum of its own initiative. Particularly since we have dispensed with the dinner hour the practice has been that no pressure is exercised either by members on the Chair or by the Chair on members to call attention to the lack of a quorum in the house. That is why this was not done in the present instance; although I might mention to the hon.

member for Edmonton-Strathcona (Mr. Nugent) that we appeared to have a quorum a few moments ago.

Mr. Byrne: Yes; and the Conservatives are behind the curtain.

Mr. Churchill: Don't blame it on the Conservatives. What is the government doing?

Mr. Speaker: I should like to bring to the attention of hon. members standing order 3, which says:

(1) The presence of at least 20 members of the house, including Mr. Speaker, shall be necessary to constitute a meeting of the house for the exercise of its powers.

(2) Whenever Mr. Speaker adjourns the house for want of a quorum, the time of the adjournment, and the names of the members then present, shall be inserted in the Journal.

I am wondering whether this is what members of the house want at this time. I must say that I have some doubt whether any good purpose would be served at this time by counting the members in the house, taking down the names of those who are here and indirectly recording the names of those who are not here. If this is what the house wants to have done, we will do so.

Mr. Nugent: Mr. Speaker, the rule which established our sitting during the supper hour was not one that I favoured. The government had this rule passed, and I think they have a duty to make sure, because they were in favour of it, that they have sufficient members here to enable the business to be carried on. If the government are unable to carry on their business under the rules which they insisted upon, then I insist upon the rules being carried out.

Mr. Speaker: The only other thing I can do for the benefit of this house is read citation 60 of Beauchesne:

Any member may direct the Speaker's attention to the fact that there is not a quorum present. The Speaker will proceed at once to count the house, and if there are not 20 members present, including himself, the Clerk will take down the names, and the Speaker will then adjourn the house without question first put until the usual hour on the next sitting day.

I hope hon. members realize that what they are proposing now is a rather serious procedure. They are proposing the adjournment of the house until tomorrow. If this is what the hon. members I see around me at the moment want to do, I will ask the Clerk to count the members and make a record of those present in the house.

Mr. Nugent: May I ask you to proceed to do that, Mr. Speaker.

An hon. Member: I think we have a quorum.

On the count being made 21 members were declared to be present.

Mr. Speaker: The hon. member for Kootenay West (Mr. Herridge) has the floor.

Mr. Herridge: Apparently, Mr. Speaker, the hon. gentleman suffers from poor eyesight.

Mr. Churchill: There was no quorum for half an hour, and you know it.

Mr. Byrne: There were 20 members here all through.

Mr. Churchill: That is not true, and you know it.

Mr. Nugent: Mr. Speaker, I rise on a question of personal privilege. I feel rather wounded that the hon. member for Kootenay West (Mr. Herridge) should think it necessary to bring to the attention of this house what is an apparent infirmity of mine. I admit that I usually wear glasses, and I forgot them tonight. But I was perfectly capable of counting about 12 members in the house when I brought this matter to the Speaker's attention.

Mr. Herridge: When the interruption occurred I was dealing with the question of the issuing of credit by the private banks, and I dealt with the function of the Bank of Canada as part of our banking system. In my opinion, Mr. Speaker, if we were to have a Bank of Canada Act that provided for the issuing of the credit requirements of all levels of government in this country for the social purposes I have mentioned, we would have laid a solid foundation, a sound foundation, in this respect. We would hope that the Bank Act could be amended to serve the needs of persons and private industry in this country, and that it would be agreed that the Industrial Development Bank would meet the needs of small industry in Canada. If these three pieces of legislation were coupled together we would achieve a certain philosophical approach to our financial system and would lay the foundation for a sound financial system and a more equitable economic society. And in doing this, Mr. Speaker, I am sure the minister would agree with me that we would also be doing something fundamental for the control of inflation in this country in the years ahead.

Bank Act

● (7:10 p.m.)

My comments have been made on a rather philosophical basis, and I tied the three pieces of legislation together, but I do think, Mr. Speaker, that we have to approach our financial problems along these lines if we are to have a sound financial system and an equitable distribution of wealth in this country.

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

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, in summing up the debate I would like to thank those hon. members who have contributed to it, and in particular the hon. member who made philosophical comments which I enjoyed very much. It did seems to me that a good many of the quotations that he gave us related to the necessity for institutions that have since been established, such as the Bank of Canada, and that some of the fears that were expressed by those statesmen of long ago have been met by our modern financial machinery.

I do also want to thank the members of the house for their restraint, because one point most hon. members seemed to be agreed on was that it is highly desirable to approve this bill on second reading and to get it before the standing committee where testimony can be taken from bankers, from experts and from the public in general.

As might be expected, even in the brief speeches which have been made on second reading of this bill, there has been a good deal of repetition of what was said when the resolution was under discussion, but some new points were also made.

I would like to congratulate particularly the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) for his contribution. It is not often that members of this house are prepared to modify their views in the light of the discussion and in the light of their reflection upon the legislation as presented to the house. It was very gratifying to me as the minister sponsoring this bill to find the hon. member for Nanaimo-Cowichan-The Islands saying the following among other things: "There are compelling arguments for the removal of the 6 per cent limit, and again, "While, as I say, there are compelling reasons for its removal I have not found an economist who would dispute that statement".

Now, Mr. Speaker, I do not say this in any way to gloat—not at all. I understand perfectly well that the hon. member was saying a good deal more than that he agreed there were compelling arguments for removing the 6 per cent ceiling. I congratulate him because I think he has come to realize, as some of us who have been pondering this problem over some time, including the royal commissioners and other economists in this country, that whatever the 6 per cent ceiling on the bank interest rate did, it did not control the interest rates in this country. Therefore I felt that this was a most useful contribution to an understanding of the situation in which we now find ourselves.

The hon. member of course went on, as did some of his colleagues in the same party, to suggest that the Bank of Canada should be given power to regulate the rate of interest on loans and deposits. I do not agree with this suggestion but I can understand the reasons for it. I think it does mark an advance in the thinking of his party, that no longer are they concentrating on what I have always regarded as an obsolete and ineffective section of our present banking legislation, namely, the ceiling on bank interest rates.

I agree with several hon. members who have said that interest rates throughout the world are higher than is desirable. I said that in this house on September 8, and I said it in Washington. My views were echoed by almost every minister of finance in the civilized world. There has been undue reliance upon monetary policy, and I do hope that those who share my views and the views of other ministers of finance around the world will be equally prepared to support the kind of fiscal policies that are a better alternative.

I do not believe we can keep the rate of interest down by controls. It has been admitted in this house that to keep the rate of interest down by a 6 per cent ceiling on bank interest rates is not effective; neither do I think it would be effective to keep the general rate of interest down by law. What is important is to get a proper balance in the instruments for the stabilization of the economy, and I agree that too much reliance has been placed on monetary policy.

In this connection, Mr. Speaker, there have been some criticisms that economic conditions have changed and that the time has come for our general approach to economic policy to be changed. The hon. member for Northumberland (Mr. Hees) today asked a question which he thought he might debate at ten o'clock tonight—I gather he is not going to do so. He did point to the fact that there had

been some decline in the index of industrial production in Canada in recent months. From that he drew the inference that there had been a general change in conditions and that we were now facing some sort of a down-turn in economic activity, and that therefore we should change our general monetary policy.

I would like to say a word or two about the present situation because there could be some misunderstanding if the impression created by the hon. member's remarks were to go unanswered. The decline in the industrial production index in July was accounted for by strikes in copper, nickel and iron ore operations. There were also strikes in other industries. All together 812,000 man hours were lost due to strikes in July, the equivalent of 0.65 per cent of estimated working time of the entire labour force. For manufacturing and mining, which are the two principal components of the industrial production index, the percentage of time lost due to strikes was higher. The decline in iron ore and non-ferrous metal mining amounted to 13 per cent. This alone was sufficient to reduce the total production index by one point. Manufacturing as a whole was steady in July, with non-durable goods production increasing by half a point and durable goods production being down by a half point. The decline in those last figures was associated with the earlier shut-down in the automobile industry for new model changes.

• (7:20 p.m.)

The smaller rates of increase in total activity during the second quarter of 1966, which has also been remarked upon, were a natural consequence of the extraordinarily high rates achieved earlier in the year. The value of the gross national product increased by 4.4 per cent between the fourth quarter of 1965 and the first quarter of 1966. So that in the first quarter there was this extraordinary increase. This was far above any possible sustainable rate in the Canadian economy. In the first quarter the advance announcement of the Ontario sales tax increase caused some additional buying, and our exports to the United States in that quarter were very high, due to the very heavy demand at that particular time.

The adjustment from the extraordinary first quarter increase in the second quarter has been followed by a resumption of growth in many indicators in July and August. For example—and this is one of the most important of the economic indicators—there was a substantial increase in employment in August and a decline in the unemployment rate. That cannot be associated in any way with a decline in economic activity. Automobile sales picked up strongly in July and August and total retail sales had recovered in June and July. Our exports continued to increase in July.

In general we are looking forward to a renewal of moderate increases in the gross national product in the third and fourth quarters of this year. With the economy fully employed it is difficult, indeed undesirable, to try to achieve the unsustainable rates of increase in the first quarter. Even, with the more moderate gains in economic activity compared with earlier in the year, pressure on prices and costs remains a serious problem and government policy is being followed to reduce the increases in prices that are troubling all of us.

I made these few remarks, Mr. Speaker, because they are relevant to some of the points made during the debate by speakers on various sides and because I did not want this particular question to go unanswered for more than a few hours.

The motion that was put and which was ruled out of order by you, Mr. Speaker, referred to the establishment of a new type of clearinghouse arrangement. I would draw attention to the comment that I made on July 5, 1966, when I was speaking on the resolution preceding this bill, when I said, as reported at page 7234 of *Hansard*:

> The then minister—
>
> I was referring to my predecessor.
>
> —indicated that the government intended to give further consideration to possible changes in the clearing system, including suggestions made by the royal commission, and would bring forward legislation on this general subject, which seems clearly to come within parliament's jurisdiction over banking. We still have this in mind for a future year.

I thought I should repeat these words, Mr. Speaker, in order to indicate that we are prepared to give consideration to one of the subjects raised by the motion that was ruled out of order.

Now, Mr. Speaker, when I introduced the proposed revision of the Bank Act I stated that one of the main objectives of the government was to improve the position of the small borrower. The government is convinced that an effective way to achieve this objective is to encourage and enforce competition, to implement a system where there are many competing sources of loan funds and many institutions freely competing for the custom of the consumer.

But the revision of the banking system and the introduction of more competition is not the only way the government intends to improve the position of the consumer who needs credit. Members will recall that on May 27 last I wrote to the provinces stating that I was prepared to convene a federal-provincial meeting on the subject of consumer credit and interest disclosure, which is so important to those Canadians who buy on instalment plan or who borrow from finance companies, banks or other sources. Since then officials of the Department of Finance have started to make preparations for such a conference and I hope to be able to announce to the house very shortly its agenda and date.

In the course of the discussions which we have had on this subject, it has occurred to me that there was an immediate opportunity for a breakthrough in one of the most important problems facing the consumers—that of the disclosure of the true and effective rate of interest. One of the basic aims of a consumer policy is to ensure that consumers have recourse to all the information necessary to make decisions that will be of greatest benefit to themselves and to the national economy.

Consumer groups and associations have urged for many years legislation requiring the cost of consumer credit of all kinds to be stated in terms of an effective annual or monthly rate of interest. Both the Nova Scotia and Ontario studies of consumer credit concluded that it was desirable and feasible for banks and other financial institutions to disclose the cost of borrowing both in dollar charges, as done at present, and also as an effective rate of interest. Nova Scotia, Ontario, Massachusetts and the United States federal government have all acted in this field in recent months.

I believe it to be of the highest importance that consumers buying on credit or borrowing for consumption have the fullest opportunity to know at what exact cost they are doing so.

I regard action on the disclosure of the effective cost of consumer credit extended by banks as a practical starting point for co-ordinated federal-provincial co-operation and development in this field. The banks are now the largest dispensers of consumer credit, and they can give us leadership in this field while we will be working on a more general approach at the federal-provincial conference.

In my recapitulation of the main proposals of the bank bill before you yesterday, I outlined the formula whereby the maximum rate of interest that banks may charge on loans in Canada would be made more flexible and eventually removed altogether. One of the technical effects of this amendment would be to remove any of the possible remaining problems of the banks in disclosing the cost of consumer credit transactions as an approximate effective percentage of the amount borrowed.

I think I might state at this time that among the amendments that the government will be putting before the house, which I mentioned at the conclusion of my first speech in the second reading debate, is an amendment, when this bill is in committee, which will require that a bank when making a consumer loan must state the effective rate of the combined cost of interest and service charges. In the committee there will be ample opportunity to consider the technical aspects of this proposal.

When this bill does receive second reading, Mr. Speaker, I would propose that it be referred to the standing committee on trade, finance and economic affairs.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, would the minister answer a question before he takes his seat. I should like to get this clear. I came in just as he was apparently replying to some of the matters that I raised in my speech. I should like to thank him for his complimentary remarks, but I should also like to ask the minister whether we are to understand that the government's position with regard to the control of interest rates is that it should be left entirely to the operation of market forces.

Mr. Sharp: Well, Mr. Speaker, the general level of interest rates in this country is determined partly by the demand for credit and partly by the monetary policy of the Bank of Canada and the government. So the government has a responsibility for the general level of interest rates, which we do not deny. Indeed I, as Minister of Finance, accept that responsibility.

There are also special federal laws dealing with ceilings on particular kinds of consumer credit that are available to the public. I do not believe, however, that one could control the general level of interest rates by law, nor should one try. I think this ought to be the outcome of the monetary policy of the government.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Could I ask another question of the

minister? If he is convinced of what he has just said, and this is the basis for his decision to remove the 6 per cent ceiling, can he explain to us why it is not being removed immediately this act becomes law, and why he is doing it in two stages?

Mr. Sharp: Well, Mr. Speaker, I did explain this at very great length during the resolution stage. I did not do it on second reading because I did not want to repeat all of the arguments I had made; I gave only a summary. I said at that time that I thought it might be too great and too sudden a transition, and that one ought to proceed by stages so that when we came to take the ceiling off there would be less apprehension about the possible effects.

• (7:30 p.m.)

Mr. Cameron (Nanaimo-Cowichan-The Islands): Do I take it from that, that the minister anticipates that if restraints were taken off immediately, there would immediately be a dislocating jump in interest rates?

Mr. Sharp: Mr. Speaker, I said that I felt there would be apprehension on this score.

Mr. Simpson: May I inquire of the minister at this time in respect of the statement he made about the proposed amendment he is prepared to bring in? Can he say whether he feels that the amendment will provide safeguards for the maintenance of any increase over the 6 per cent bank rate? Would it prevent some of the practices now being carried out?

Mr. Sharp: The particular amendment I was referring to was for the purpose of disclosing the true rate of interest, and only for that purpose. There may be other amendments that may be proposed, but the particular one I was announcing in my concluding speech was only for the purpose of the revelation of true interest charges.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: No.

Some hon. Members: On division.

Mr. Speaker: All those in favour will please say, yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion—and I have to go by my ear—the nays have it.

And more than five members having risen:

Mr. Speaker: May I draw to the attention of hon. members the provision of standing order 6, which is as follows, that there will be no vote between the hours of seven and eight, if there is objection taken to such procedure. I now invite hon. members to indicate whether there is such objection or not.

Some hon. Members: No.

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Under standing order 6 (3) I am objecting to a vote at this hour. I believe I have the proper support.

And more than five members having risen:

Mr. Speaker: I see five or more members objecting. There being five or more members objecting to the taking of a vote at this time, such vote is delayed, or deferred until eight o'clock.

Division deferred until eight o'clock.

QUEBEC SAVINGS BANKS ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-223, respecting savings banks in the Province of Quebec.

He said: Mr. Speaker, the purpose of this bill is to make a decennial revision of the Quebec Savings Banks Act, an act that applies to the two savings banks which operate only in the province of Quebec, one with its head office in Montreal and the other with its head office in Quebec City.

There are relatively few changes from a similar bill that received second reading last year; about the only one of importance is the provision that would apply in these banks the same formula with respect to maximum interest rates on loans as that proposed in the bill to revise the Bank Act. The principal changes from the act at present in force that were in last year's bill, and continued in this one, are provisions relating to share ownership similar to those in the bill to revise the Bank Act. As proposed in that bill, an additional provision would permit pension and similar funds of provincial governments to own a limited amount of non-voting shares of these banks.

As recommended by the Royal Commission on Banking and Finance, it is proposed to increase the lending and investment powers of these banks but not to include the power to make commercial or business loans. They have not expressed any wish to engage in this type of lending. By amendment to their act in 1957 they were given the power to make mortgage loans without any interest rate restriction. In this market they have performed a valuable service in their respective communities and will continue to do so.

The bill follows, wherever appropriate, like provisions in the bill to revise the Bank Act and many of the administrative changes proposed in that bill, the motion for the second reading of which is to be voted upon at eight o'clock, have been incorporated in this one as well.

When this bill has received second reading, I propose that it should be referred to the standing committee on finance, trade and economic affairs for detailed study along with other banking legislation.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, there is not a great deal to be added to the comments with regard to this particular bill. I think, perhaps, in his closing remarks at this stage the minister might disclose precisely what is the requirement for insured deposits with regard to this particular bank. Is the province of Quebec being treated as a separate area with regard to the "near banks"? Are the "near banks" really concerned with the Quebec Savings Banks Act, or are they concerned with the general Bank Act, under Bill No. C-222?

If there is separate treatment, I think that those remarks which I made in regard to what I call deposit insurance would apply with reference to this act. On the other hand, if there is not separate treatment, my remarks are covered in the previous debate with regard to Bill No. C-222.

Outside that, I have no additional comment. If the amendments to this act are parallel with those of the Bank Act, they would draw the same form of criticism as would apply to those under the Bank Act.

I feel that it is incumbent on the house to see that this act, as well as the other act, goes to the standing committee on finance, trade and economic affairs because, again, I fear very much that we shall not be able to meet the November 30 deadline that is imposed by existing legislation.

[Mr. Sharp.]

Mr. Sharp: Mr. Speaker, perhaps I could answer the question.

Mr. Speaker: If the minister speaks now it will close the debate.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the question has a simple reply. The Quebec Savings Bank Act obviously applies to institutions that are under federal jurisdiction. They therefore will require to be insured by the Deposit Insurance Corporation when it is established.

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade, and economic affairs.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

Hon. Maurice Sauvé (Minister of Forestry and Rural Development) moved the second reading of Bill No. C-218, to provide assistance to livestock feeders in eastern Canada and British Columbia.

He said:

[*Translation*]

Mr. Speaker, it will be recalled that on June 30 the house passed the resolution without discussion and that first reading was given to the bill intituled: An act to provide assistance to livestock feeders in eastern Canada and British Columbia.

All parties had agreed that on second reading, all stages of the bill would be proceeded with.

That is why, today, my introductory remarks will be slightly longer than usual to fully inform members of this house of the aims of the bill and to give them other information on its contents.

The bill I am speaking on today is another landmark in the efforts undertaken by successive governments to allow the use of western feed grain, to improve its availability and to further stabilize its price in eastern Canada and British Columbia.

The bill providing assistance to livestock feeders calls for the establishment of a Canadian Livestock Feed Board which would ensure the availability of feed grain and adequate feed grain storage facilities in eastern Canada to meet the needs of livestock feeders, the reasonable stability of feed grain prices and a fair equalization of feed grain prices in eastern Canada and in British Columbia.

• (7:40 p.m.)

[*English*]

A resolution containing a similar proposal had just been introduced by the former government under the initiative of Hon. Alvin Hamilton when the 1963 election was called.

Members of the house will recall that the standing committee on agriculture and colonization of the house which examined the feed grain pricing problem in 1964 recommended in its report on March 22, 1965 the creation of a feed grain agency. Since then, the implications of establishing this board and its relationship to other boards with responsibility in grain matters, have been assessed by the government. This evaluation led to the proposal you are being asked to consider this evening.

[*Translation*]

Freight assistance to feed grain and other grain products from the west to points of consumption in eastern Canada and in British Columbia was first started during the war, that is, in 1941.

That measure was passed because of the following situation: Breeders of eastern Canada and British Columbia maintained it was unfair that competing foreign breeders operating three or four miles away should obtain Canadian feed grain delivered in their countries at the same price or even at a lower price than that paid by Canadian breeders because of lower freight rates on grain exports. In addition, western grain markets were restricted due to the great risks endangering overseas shipments in wartime and because the allies required more concentrated foodstuffs.

The program served a double purpose: to expand the feed grain markets for the benefit of western grain producers and to enable farmers in eastern Canada and British Columbia to increase their cattle production.

Since the war, controls on wheat, oats and barley imports have deprived eastern cattle breeders of the opportunity to import grain at lower prices. Those factors, added to the concern of protecting investments made necessary by wartime needs, prompted government authorities to maintain this policy after the war. Since it also proved very profitable to western grain producers, it has been maintained and regularly extended through orders in council. The products eligible for assistance have changed little through the years, whereas the rates of freight assistance to various points have changed according to circumstances. The program required yearly appropriations ranging from $14.5 to $22 million.

[*English*]

In 1963 storage assistance was added to the program to encourage stocking of adequate supplies and as a means of moderating winter price movements. In the same year provisional pricing, formerly applied solely to wheat, was extended to oats and barley by the Canadian Wheat Board.

In 1964, in an effort to bring in truck competition and to allow for more effective bargaining on transportation rates on the part of local supplies, eastern Canada was divided into zones with a specific level of transportation aid applying to each zone. This part of the program has been particularly useful and has led to many and extensive rate readjustments.

Much concern is still expressed by feeders in eastern areas over fluctuations in feed prices. These result from a combination of factors including variations in supply and demand for western feed grains; changes in freight rates; shortage of winter storage space; paralysis of navigation in the winter; the holding supplies of certain pressure points in relatively few hands; price gyrations of other feed ingredients and to mounting retail mark-ups reflecting an increasing variety of services rendered at the retailing end of the feed business—credit, bagging, technical know-how, etc.

[*Translation*]

It is not easy to settle all those problems, since some of them overlap in the field of grain marketing. Up to now, the organization, purchase and distribution of grain stocks, as far as breeders are concerned, have been left entirely to trade.

The private sector has rendered many worthwhile services, but difficulties concerning stocks and prices have arisen and have been the subject of talks for some time.

In short, present programs concerning federal aid have not sufficiently dampened the unforeseeable and somewhat irregular movements of prices throughout the winter in eastern Canada as a result of the closing of the shipping season.

Eastern breeders have even asked the government to intervene to a greater extent in that field, in order to prevent unsteady prices, since otherwise feeding and production plans will be annihilated in a sector

where the difference between costs and prices is almost always excessively reduced.

Cattle and fowl products represent three quarters of the financial income of eastern farms and 65 per cent of agricultural returns in British Columbia.

Agriculture which requires considerable manpower depends extensively on an ample supply of grass and fodder to which feed grain must be added. The vicinity of markets has also made the production of non-ruminant cattle profitable in surrounding areas of large consumption centres in eastern Canada, especially when considering that the areas adjoining Montreal and Toronto can very well lend themselves to an intensive grain production.

Cattle feeding represents an important current expense for farmers in eastern Canada and British Columbia. Outside the Prairies, a sum of $335 million is spent each year for the purchase of feed grain and seeds. The sale of feed grain in western Canada on those markets are just as important to the western farmer, since they represent about $110 million, of the farm income and contribute much toward the economic stability of the Canadian feed grain markets.

• (7:50 p.m.)

The inability of provinces to meet their needs as far as grain is concerned varies from 70 to 80 per cent in New Brunswick and Nova Scotia to 17 to 20 per cent in Ontario and Prince Edward Island. Quebec meets about half its own needs, while British Columbia is short by about a third. Livestock product markets are expanding rapidly. Consumers now tend to get away from starchy food and favour meat proteins. That is why a larger share of the consumer food budget is spent on livestock and poultry products.

By 1980, the estimated population in eastern Canada will likely need 140 per cent of the milk now produced in eastern Canada, 244 per cent of its poultry production, 180 per cent of its egg production, 218 per cent of its pork production and 440 per cent of its beef production.

[*English*]

How are these quickly evolving needs going to be met? If recent production trends can be of some guidance the situation for the last 14 years can be summarized as follows: From 1951 to 1964 the June 1 survey shows that the number of cattle, other than dairy cows and heifers, has increased by 120 per cent in the prairie provinces, 80 per cent in Prince Edward Island, 58 per cent in Ontario and 22 per cent in Quebec, while remaining almost stationary in Nova Scotia and New Brunswick.

Over the same period there was a 29 per cent increase in the number of hogs. There was a slightly lower increase in the prairies, Quebec, Nova Scotia and Prince Edward Island. Ontario's hog population does not show any definite trend, while New Brunswick's has dwindled by 37 per cent.

The total poultry population has increased tremendously in Nova Scotia and Quebec and, discounting shifts in types of poultry now kept, the other provinces are not showing any significant trend if we except Prince Edward Island which has witnessed a sizeable decrease of close to 60 per cent. The Quebec dairy herd is the only one holding the line, as the other provinces witness a continuous decline.

Should these trends continue in the near future, both east and west will be confronted by the additional food requirements I described a moment ago.

[*Translation*]

The increase in the number of livestock in each region will depend on such factors as the evolution of the market for grain and other products from the prairies, the evolution of meat markets in the United States, the extension of corn-growing land and the increase in the production of corn in the eastern and western part of the country, the improved conversion of livestock feed and the consumer demands with regard to freshness in the case of several agricultural products.

I introduce this bill today in this context and considering all these factors. The bill establishes a livestock feed board and an advisory committee. The board will act in the interest of livestock breeders and feeders in British Columbia and in the eastern part of the country by passing the necesary measures authorized by the law so as to ensure the availability of supplies and stockage at all times; it will also, as far as it is practical to do so, ensure a reasonable stability in prices and a fair equalization of freight charges.

In order to achieve these aims, the present aid policy concerning feed grain, and which extends to transportation and stocking, will become an integral part of the legislation. Even if the bill provides that the Canadian Livestock Feed Board shall deal with a considerable number of things, its first duty will

be to try to co-ordinate the various interests involved and, if necessary, to improve the means at its disposal. The aid provided for transportation may serve to encourage supply by water during the shipping season or by rail during the critical winter months. The board may negotiate the appropriation of adequate space in the elevators, as well as the establishment of lower rates of transport before rushing into large-scale marketing operations.

Should these means not succeed in achieving the objectives sought in this bill, the board may engage in purchasing, stocking, selling and other marketing operations. The use of such powers, should the need arise, shall be subject to an authorization by the governor in council, which would be valid for a definite time. There is a recommendation for the setting up, for the purposes of such marketing operations, of a $10 million automatically revolving fund. In case of need, when the fund is tied up in grain stocks, the governor in council may authorize the Minister of Finance (Mr. Sharp) to make further advances.

The powers it is proposed to confer to the board do not extend to "prices ex warehouses, Fort William", but relate to marketing of feed grain from that stage of pricing to the eventual consumption of feed in eastern Canada and British Columbia.

This bill embodies a very necessary policy destined better to organize the transport of feed grain and ensure a more stable market for both grain products and livestock products. This is a necessity which we must face and we may rest assured that the government intends to pass other legislation or modify the present policy to meet the changing needs of grain producers and livestock breeders.

Those, Mr. Speaker, were the main points I wished to make on first reading of this bill. I shall make other comments later in answer to those which the hon. members will wish to make concerning this bill.

Some hon. Members: Hear, hear.

[*English*]

Mr. Speaker: Order. It being eight o'clock it is my duty, pursuant to section (3) of standing order 6, to suspend the proceedings now under way so that the house may revert to the vote which was postponed earlier this evening.

Division

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The house resumed consideration of the motion of Mr. Sharp for the second reading of Bill No. C-222 respecting Banks and Banking.

Mr. Speaker: The question is as follows: Mr. Sharp, seconded by Mr. Nicholson, moved that Bill No. C-222, an act respecting Banks and Banking, be now read a second time. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Sharp) which was agreed to on the following division:

• (8:00 p.m.)

YEAS

Messrs:

Allard	Harley
Allmand	Hellyer
Badanai	Hopkins
Béchard	Hymmen
Beer	Isabelle
Benson	Klein
Berger	Laing
Boulanger	Langlois (Chicoutimi)
Cadieux (Terrebonne)	Laniel
Cameron (High Park)	Leblanc (Laurier)
Cantin	LeBlanc (Rimouski)
Cashin	Lefebvre
Choquette	Legault
Chrétien	Lind
Clermont	Macaluso
Comtois	Mackasey
Côté (Longueuil)	McIlraith
Côté (Nicolet-Yamaska)	McNulty
Cowan	Marchand
Davis	Martin (Essex East)
Drury	Matte
Dubé	Mongrain
Duquet	Morison
Émard	Munro
Faulkner	Neveu
Foy	O'Keefe
Goyer	Orange
Gray	Otto
Greene	Pearson
Groos	Pennell
Habel	Pepin
Haidasz	Pickersgill

Division

Prud'homme
Reid
Richard
Rideout (Mrs.)
Rinfret
Rochon
Rock
Ryan
Sauvé
Sharp
Stafford
Stanbury
Stewart
Thomas (Maisonneuve-Rosemont)
Tolmie
Tucker
Wahn
Walker
Winters
Yanakis—84.

NAYS

Messrs:

Ballard
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bower
Brand
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Chatterton
Churchill
Clancy
Crouse
Dinsdale
Dionne
Douglas
Fane
Fawcett
Forrestall
Gauthier
Gilbert
Godin
Grafftey
Grégoire
Herridge
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Keays
Kennedy
Knowles
Lambert
Laprise
Latulippe
MacDonald (Prince)
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean (Queens)
Macquarrie
McCleave
McCutcheon
McIntosh
McKinley
McLelland
McQuaid
Madill
Martin (Timmins)
Mather
Moore (Wetaskiwin)
Muir (Cape Breton North and Victoria)
Nesbitt
Nugent
Olson
Orlikow
Pascoe
Patterson
Pugh
Rapp
Ricard
Rynard
Saltsman
Schreyer
Scott (Danforth)
Scott (Victoria (Ont.))
Sherman
Simard
Simpson
Smith
Southam
Starr
Stefanson
Thomas (Middlesex West)
Thompson
Watson (Assiniboia)
Winkler
Woolliams—78.

• (8:40 p.m.)

Mr. Speaker: I declare the motion carried.

Order, please. I understand some hon. members would like to advise the house of something.

• (8:50 p.m.)

Mr. Nicholson: Mr. Speaker, I was paired. Had I voted, I would have voted for the motion.

[Mr. Speaker.]

Mr. Robichaud: I too, was paired, Mr. Speaker. Had I voted, I would have voted for the motion.

Mr. More: Mr. Speaker, I was paired with the hon. member for Norfolk (Mr. Roxburgh). Had I voted, I would have voted against the motion.

Mr. Langlois (Mégantic): I was paired, Mr. Speaker. Had I voted, I would have voted against the motion.

Bill read the second time and referred to the standing committee on finance, trade and economic affairs.

Mr. Speaker: Order, please. The house will resume the business interrupted at eight o'clock, namely second reading of Bill No. C-218.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

The house resumed consideration of the motion of Mr. Sauvé for the second reading of Bill No. C-218, to provide assistance to livestock feeders in eastern Canada and British Columbia.

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, we are now studying Bill C-218, an act to provide assistance to livestock feeders in eastern Canada and British Columbia. I listened carefully, although at times somewhat absent-mindedly, to the observations made by the minister of forestry (Mr. Sauvé) when he introduced the bill. At the outset of the few remarks I wish to make this evening, I cannot help but remind the hon. minister that this measure is but the continuation of various legislative measures introduced by the Conservative government which preceded the present government.

In introducing this measure and giving the reasons for it, the present minister was in fact doing nothing else but addressing a word of reproach to his government. Indeed, he reminded us that a similar measure was on the agenda in 1963, that it had been proposed by the then minister of agriculture, the present member for Qu'Appelle (Mr. Hamilton). We also know, Mr. Speaker, that the farmers have been expecting this bill for a long time.

It must also be recalled, Mr. Speaker, that at the time the hon. member for Qu'Appelle

(Mr. Hamilton) was minister of agriculture, he has travelled through the provinces, particularly Quebec and Ontario, to promote cattle raising. It is well known that in recent years, specially, there is a tendency in eastern Canada, as well as in other provinces, to use more beef. As a matter of fact, people who were using large quantities of pork regularly in the past have now changed their eating habits in favour of beef. There are a good many reasons for the increase of beef consumption in the feeding of humans and I certainly shall not labour over that part of the matter. But we must recognize the fact that beef consumption has greatly increased in recent years in Canada.

The event which will take place in Montreal during 1967 will also help to provide those of our farmers who are in the cattle-raising business with a greatly enlarged market.

Even though, there may be cause for deploring the government's backwardness in adopting the necessary measures to encourage cattle raising in the eastern provinces, one must however rejoice in the fact that it has finally decided to tread the path which was cleared by the preceding government.

Mr. Speaker, one must not forget that the farmer's well-being in the east is in no way an obstacle to the well-being of the farmer out west and conversely, it is also true that the western farmers are not at a disadvantage when their brothers in the east prosper.

It is a well-known fact that farmers, because of the constantly increasing cost of living, find it very hard to meet their obligations. The government should therefore take every opportunity to help this sector of our country's economy.

Anybody who has followed a little closely the change in the farmer's attitude knows for a fact that the latter has finally decided to take a more personal interest in the management of his own business. He has now taken cognizance of his own general responsibilities and has decided to participate more actively in the marketing of his products and in the things which affect his income and his welfare. That is why farmers, whenever they get together at conventions, consider more closely than they used to bills introduced here. And when the minister announced some time ago the abolition of free winter storage of feed grain in reserved space in eastern elevators, there was a general outcry against his decisions and farmers protested most energetically.

Mr. Speaker, it would not be logical for the minister to introduce, on the one hand, a measure intended to encourage the breeding of beef-type cattle if, on the other hand, he moved other legislation to deprive breeders of the grain they need to feed such cattle in winter. I know the minister received, like so many members of the house, a telegram of protest from the Quebec millers, supported by the Catholic Farmers Union.

I am sorry I do not have with me a copy of the telegram. But I can surely give the minister the copy I was sent when I have time to go to my office.

Mr. Speaker, the arrangements made by the minister also amazed me—you may feel that I am out of order here—but as feed grains are concerned the matter was studied specifically at the special meeting held in Drummondville, it seems to me the minister could have extended invitations not only to the members of the cabinet but to the other representatives of the area who are bent also on seeing an objective study made of livestock raising.

He attempted systematically to keep the members of the opposition out; maybe it is fair play as far as he is concerned, but I think that he has therefore done a disservice to the cattle breeders of my riding and the surrounding counties.

• (9:00 p.m.)

Mr. Speaker, there are still many points that we would like to clarify in this measure; it is not necessary to state all the objections, to undertake a detailed study at this stage of discussion, because we will certainly have the opportunity to look at it more closely. Then we shall make the necessary comments, and also offer suggestions because if we study the past achievements of the Conservative party especially in that field, we feel that we can justly claim a certain knowledge in this matter and I do think that the members of the opposition will offer to the minister suggestions which will certainly help him to carry out a policy which was initiated under his predecessor.

I know that the minister of forestry who is responsible for the administration of this legislation is broad-minded, that he wants to improve the well-being of the farmers and that, for that reason, it will be impossible for him logically to ignore the suggestions which will come from this side of the house.

Until we have the opportunity to say more about it, I wish the minister well in the discharge of his duties.

[*English*]

Mr. H. W. Herridge (Kootenay West): I rise to express briefly the support of this party of the principles and purposes of the measure before us.

I listened to the minister's remarks with interest, and having read the bill through carefully I think it is fair to say that at heart the minister is somewhat of a socialist. This measure reminds me of the early efforts of some of the agriculture organizations in the interior of British Columbia to get the government to take action along these lines, to equalize the cost of grain required for livestock and poultry production. There was an effort in the Fraser Valley toward this end and it is safe to say that the agriculture organizations of British Columbia were in the van of the movement to get some measure of financial assistance from the federal government toward the cost of grain transportation. At that time the question of storage was not mentioned.

I have attended many meetings at which this subject has been discussed. In the district I have the honour to represent we are severely affected by the high price of grain in the circumstances in which livestock and poultry are produced. I know that when this measure was first proposed some people suggested that we were advocating socialism. It was considered then an advanced form of legislation. Regardless of that, we are very glad to see it passed because this legislation will do something to bring a measure of equality to production costs as between various agricultural producers from one end of Canada to the other.

I presume it is correct to say that this is in the nature of experimental legislation, and that experience will provide an opportunity for improvements to be made. In this connection I am glad to see that it will be the duty of the board which is to be established to make a continuing study of feed grain requirements in eastern Canada and British Columbia, of the availability of feed grain and of the requirements for additional feed grain storage facilities in those areas. I am always anxious that legislation of this type should be followed up and that reports should be made to the minister and to the House.

I am glad to see it will be the duty of the board to make recommendations to the minister with respect to requirements for additional feed grain storage facilities in eastern Canada; also, that generally it will be the duty of the board to advise the government on all matters pertaining to the stabilization and fair equalization of feed grain prices to livestock feeders. It is also good to note that the board will be required, to the greatest possible extent consistent with its objects, to consult and co-operate with all departments, branches or other agencies of the government of Canada or of any province having duties related to, or having aims or objects related to, those of the board.

It is my belief that if this legislation is to work satisfactorily there must be co-operation with the provincial departments concerned, with the farmers organizations and with all those who are directly affected. This is why the last provision to which I referred is particularly welcome.

I notice, too, that the governor in council may from time to time empower the board to make inquiries and investigations in respect of—

—(a) transportation, storage or handling of feed grain in eastern Canada and British Columbia.

(b) supplies and prices of feed grain in such areas, and

(c) payments related to the cost of feed grain storage or transportation made under this act.

• (9:10 p.m.)

I mention this particularly because I think it is essential in this type of legislation to have a follow-up and a continuing investigation of its effect on the farmers concerned, of its effect on the economy generally, the surrounding economy, and naturally of its cost to the government of Canada, and so on. I do not think there is any necessity for me to speak at length except to say I am confident that the agricultural producers who will be affected by this legislation will welcome it and do their best to co-operate with the government and all other agencies in making it a success.

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, it is with some anxiety mixed with pleasure that we listened to the minister's statement when he introduced Bill No. C-218. It had been eagerly awaited in this house for several years and a great deal has already been said on this matter.

After the board is established by this house, and everything will have been said, at least in principle, in this connection, the task of the minister responsible for it will not necessarily be completed. On the contrary, it will then be his duty to see that the bill is implemented most efficiently. Even though the bill contains some regulations, things are often different in theory from what they are in practice.

And I think that due to past experience, the Minister of Forestry and Rural Development, the sponsor of this bill, is well-informed and satisfactorily advised in that field. However, I take the liberty of drawing his attention to a few points which could perhaps serve him as guide lines, not for all practical purposes but in general, if you prefer, to some objections which could be raised on this side of the house and which he could take in consideration and study thoroughly, namely if it would not be a fair and profitable solution for the government as well as for the board and the farmers involved.

Mr. Speaker, there are clauses in that bill which are worthwhile, but there are others which make me feel uneasy. It is perhaps because I have not had time to study the bill as thoroughly as I would have liked to. Evidently, I will have an opportunity to do so during consideration in committee.

Nevertheless, I wish to draw the attention of the minister to certain provisions for obtaining such feed grain as far as eastern Canada and British Columbia are concerned.

I see that by this bill, the minister tries as much as possible to cut prices, that is to make feed grain available at a reasonable price to our farmers of eastern Canada, and heaven knows that they need it. However, an attempt must be made to find out how this result can best be attained.

I already mentioned some time ago in this house the mechanism which now prevails. I believe I asked the minister to keep an eye open to prevent unscrupulous individuals from using an agency responsible to the government. Unscrupulous persons used in the past certain devious means, which were not very orthodox, as it were, or means not altogether in keeping with Christian principles, to take advantage of this scheme to the detriment of western and eastern farmers. At a certain time, producers of western Canada were reported as saying: We do not get enough for our grain because eastern farmers and stock breeders do not want to pay. And eastern farmers and stock breeders were saying: We cannot get feed grain at a reasonable price because western producers make a prohibitive profit.

In the end, who is right? Is it because one does not have the means to pay enough or because the other asks too much? And that is the problem which will always occur. Now it is the object of that agency to have enough feed grain at home to meet the needs first and then to have them at a reasonable price. Therefore, I am interested in finding out from the minister what means, will be used to distribute this grain once it reaches eastern Canada?

Of course, the livestock feed board will have its say. But it does not mean, for instance, that it will be the one responsible for carrying grain from the lakehead to eastern Canada elevators. There is somebody else who will have a finger in the pie, who will mess about in it. Now, I want to know who will mess about in there, who will fiddle about with it. Unless action is taken now, it will be found that the same situation will repeat itself, as was the case with western Canada in 1936, and which brought about the establishment of the present Canadian Wheat Board, which at least set out standards and which guaranteed an income to western farmers and producers.

On the other hand, it does not mean that speculators have been eliminated. Granted, producers were guaranteed a cost price, but what about speculators?

Have they been removed? Have we passed a law with enough teeth in it to protect western producers against being exploited by such people? And now this is what I would like to know. I am not sure whether the Canadian Wheat Board has managed to quench this speculation which was detrimental to western farmers. It has been contained at the head of the Great Lakes, but not removed entirely; on the other hand, the Board took control of production over there, exactly as the feed grain board can take control over here as far as purchases and distribution of feed grain to eastern feeders are concerned. But if speculation is not checked, the situation will go from bad to worse because there will be a go-between which will become a white elephant and which will cost the Canadian taxpayer a lot of money and the problem will not have been solved. If the price of grain increase or remain the same, there is no need in that case, to set up

a board to do what we are doing now. But I think that the minister is wise enough to keep a close watch on the openings through which speculators might sneak in. At least I hope so, because if we do not take steps to prevent as much as possible the payment of a commission here and a commission there through lack of organization in the distribution of such feed grain, we might as well not have any at all. And I think that the minister will keep an eye for such loopholes.

Should I notice at any time that there is a leak somewhere, it would be my duty to warn the minister. The same goes for all those here in the house. On the other hand, it is the minister's duty to take all the necessary precautions to avoid leaks. And here I think of some wholesalers, if you wish not only brokers because there are others who are not members of the exchange. As a matter of fact, I did not quite like the solution applied by the Canadian Wheat Board, Mr. Speaker, and if ever I am told that the Canadian Wheat Board will be linked to that body called the livestock feed board for eastern Canada, I will have some things to say about that. For instance I can say that the Canadian Wheat Board guarantees and negotiates prices very well but it does not necessarily see to the delivery. It is still asking the advice of some brokers it has kept away since 1936 from the purchasing field in western Canada. And that is what is called the grain exchange. It probably has its uses for speculations on the world market and all that, but I am against its speculating at the expense of Canadians in the central provinces.

Moreover, the Canadian Wheat Board has to turn to the members of the grain exchange to inquire about futures prices, that is, as anyone who is a wheat or feed grower in western Canada knows, the price quoted in the spring for such and such feed grain to be delivered in the fall in order to make an immediate sale. Grain is sold at a fixed price or a pre-fixed price if you wish. On the other hand, who is asked to set up that price? The brokers. And who buys in the fall, quite often the brokers.

• (9:20 p.m.)

They are not fools, Mr. Speaker, they are speculators. And if they intend to make a penny, a dollar on that, they will see to it that they make it. They just have to say: oats will sell for 67 cents this fall; on the other hand, one finds out that it sold through them for 75 cents afterwards. Therefore who lost on that? Of course, there is always the question of rebate on sales paid immediately or in the fall then. But the future price is fixed. The price is set, the feed is sold at that price, which is then reduced at the expense of the western or eastern farmer. But the broker does not sell it at this price and he is the one who determines whether the harvest is to be good or bad and in a sense informs the Canadian Wheat Board. This does not mean that the wheat board does not work well but it could perhaps extend its scope a little further to give western producers a larger income. The feed grain board which will be established in my region could perhaps buy directly from the farmer without going through some broker or speculator. Of course, there would be a conflict of interest. We would have two commissions under the jurisdiction of the same government. It would have been better perhaps to have put this under the jurisdiction of the provincial governments, because negotiations, what is called "bargaining value", are involved. On the other hand, it is incumbent on the minister to find means to provide such feed grain at the lowest possible price or cheaper for the benefit of the livestock feeders in eastern Canada. And if such aim were not achieved, the board could not justify its existence. Unless we see to it that the goal be reached, we have lost our time in this house, the taxpayer's money has been dilapidated and we have fallen short of the expectations of eastern Canada livestock feeders.

I think we might have to sing the same song in eastern Canada and in western Canada; to put our backs into it once and for all; to indicate exactly the price that the farmers or the producers in western Canada obtain for their wheat, or get for their feed grain, or earn for the grain sold on the home market, in order that the eastern Canada farmer may know exactly how much the other farmer has received at the opposite end of the country.

Mr. Speaker, in this case, we find a differential of $2, $3, $4, and even $5 per hundredweight. You might find this amazing. Wait a moment, and you will hear things even more amazing. Let us consider the case of the western Canada producer who ships to Fort William, in what we call carloads, grain that bears dockage on arrival at Fort William. They remove what is commonly called wild oats, the straw, the chaff, whatever residues

there might be. They simply do not look for grain but for anything that might be found besides grain.

The dockage may vary between ½, 2, 3 or 5 per cent. All this is removed and not paid for. This is called "dockage".

On the other hand, the farmer is not paid for that; yet he is asked to pay transportation charges on it from the elevators out west to the lakehead or Fort Churchill. He is not paid for it when it is taken away, but elsewhere, mills pay $2.35 and $2.70 per hundredweight for it.

Wild oats, chaff, straw and hulls come first, that is, what farmers are not paid for; yet, it is good enough for feed? That explains, up to a point, why feed is so expensive. Stock breeders in eastern Canada surely cannot feed their pigs, sheep, cattle, horses and milking cows with chaff and other fodder without food value; consequently, all kinds of ingredients are added to their feed. Each time ingredients are added, the price goes up; prohibitive prices are charged and feed ends up by costing how much? $4.50! But that type of feed is not very good, that is not the one which gets the best publicity either. Publicity is for the $5, $5.50 and $6 bags. Finally, why is it sold at $6 per hundredweight when the farmer out West did not believe it was any good, and did not get much for it? It was classed as "dockage" at the head of the great lakes.

Mr. Speaker, I would like the hon. minister to watch these grain transport operations and transactions. Let us first begin by putting into the feed which is sold in eastern Canada, ingredients which will provide our stock with the necessary vitamins.

They will perhaps have to put less of other things into it in order to obtain a reasonable price to sell our feed to our farmers, to enable our livestock breeder to buy that feed at reasonable prices.

He will have a field of about 70, 80 or 100 acres, he will harvest it, leaving 30 acres to be sold, for this deprives him of the wheat market. What is he going to do with it? It sells for 56 cents, 60 cents, 70 cents, 75 cents a bushel, not a hundredweight but a bushel. You are going to get oats weighing how much? Maybe 52, 53, 54, 55 pounds a bushel. This is not oats that was nipped by frost, not oats to feed poultry that I am referring to, but registered seed oats; and western farmers and members in this house are well aware of that.

How is it that oats of that kind is very often being brought to our area—that is not what is being sold to them as seed oats—at $5, $6 or $7 a hundredweight.

How come? Did the western farmer or producer not pay the freight from Fort William out of the 70 cents or 75 cents he gets a bushel? Is freight that expensive from Fort William to the province of Quebec? Does it really cost that much to supply oats or grain at a reasonable price to eastern farmers? Perhaps, along the way, unscrupulous people take advantage of the situation to make a few dollars. I am therefore asking the minister to see to it that such intervention is stopped, as well as anything which would permit those people to further speculate under the cover of any federal or provincial board; in short, let us put teeth in the law which will break them once and for all.

The western farmer or producer must be treated fairly, but the eastern breeder must also receive fair treatment; one must pay exactly what he ought, the market value, and the other must receive exactly what he should for his grain on the Canadian market. Let us not be so concerned with the establishment of external markets; let us begin by satisfying our domestic market, then we will sell outside. We now have some good domestic contracts; we sell right and left, and this is excellent. By their bountiful harvest this year, the western producers have proved they can produce. Western Canada this year had what may be called its record harvest.

They have proved they can produce, and now it is up to us to prove that we can, and soon, market their production, to the advantage of the eastern producer as well as that of the world at large, where exports are concerned. But this can be achieved only when we have legislation to block, once and for all, any attempt or possibility of speculation, on foreign as well as domestic markets, and to guarantee fairness or a fair price to the producers and buyers of these grains. That is why we will tackle the problem again and study each and every item of the bill when it comes before the committee.

In the meantime, we shall study it, and if need be, suggest what amendments should be made.

• (9:30 p.m.)

[*English*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I am sure the Minister of Forestry and Rural Development (Mr. Sauvé), who

will be responsible for administering the provisions of Bill No. C-218, is well aware that what is being done by the provisions now before us is more important than the powers and responsibilities granted to the agency to be set up.

I rise tonight, not to advance categorical or unequivocal opposition to the establishment of this agency, but simply to caution the minister to make sure that in the application of the powers granted to the agency we do not create an unnatural imbalance of opportunities in various regions of Canada. This could be possible—and I talk not only about the imbalance in respect of livestock feeding but also in respect of grain producing. I am not the only one who has that opinion. Earlier this year discussions were held in Winnipeg regarding what was referred to as the feed grain dilemma. Some of the excerpts I wish to read are taken from speeches delivered to the Seventh National Farm and Business Forum.

During the course of meetings of a committee which studied this whole matter I was instrumental in moving a motion to the effect that a study should be made of prices being paid by livestock producers in eastern Canada and British Columbia. I have a great deal of sympathy for the problems that these people face toward the end of their feeding season, notably in February and March. Something in addition to what is being done should be done by the federal government to protect the stability of the feed prices these feeders must pay, not only at the end of the season but right from the beginning. In this way they could be sure when they undertake to feed cattle in October or November they would be able to purchase feed and grain to the end of the feeding season without being held up, or in some way suffer losses because of exorbitant prices.

We have heard some pretty convincing evidence which indicates that as soon as the seaway is closed the price of western grain in eastern Canada is increased by almost exactly the increase in transportation costs, in spite of the fact that this grain has been transported to eastern Canada by the cheapest possible means and stored.

Let me get back to this matter referred to as the feed grain dilemma. I want to quote from a speech made by Mr. Bert Hargrave, who is a leading agriculturist in Alberta and has been associated with many farm and ranching organizations there. In his concluding remarks he said that—

[Mr. Olson.]

> —Canadians would soon have to forget their political differences and to realize that beef would have to be produced and finished in the most economic and efficient location. Artificial barriers or stimulants would eventually only upset other aspects of agriculture at increased public expense.

I suggest this is a valid point of view although it does perhaps place more emphasis on the interests of one region in Canada as against another. It must be remembered that Mr. Hargrave has represented beef producers in southern Alberta for some time.

I was rather surprised by this statement which appears in a speech delivered by Dr. Cecil B. Haver of the department of agricultural economics, Macdonald College, Ste. Anne de Bellevue, Quebec. In summing up he said:

> The benefits of the feed freight program in the east . . . have largely gone to the big feeders and the big commercial users.

I am not surprised that he takes this attitude, but I suggest we must keep in mind, when setting up national policies involving the expenditure of money from the national treasury, the kind and size of farm we wish to help. If we find that our assistance is being provided to big feeders and commercial users we are perhaps misallocating public funds because we are using subsidies to produce beef, pork, or what have you, in regions where it is uneconomic to do so.

For those in this house who are not familiar with this feed freight policy perhaps it would be of benefit to draw their attention to the number of cattle fed in Ontario and in Quebec which are imported from western Canada. These live animals are freighted in. Then if you ship the grain from western Canada down here, where the feeding ratio of pounds of grain is away above that of the number of pounds of beef, in order to fatten the cattle, it is far less economical than feeding the grain to the animal in an area where both are produced and the carcasses are later shipped here in the form of meat. We have to take these things into consideration.

• (9:40 p.m.)

Dr. J. C. Gilson, head of the Department of Agricultural Economics, University of Manitoba, had this to say. This is not an exact quote, but it is very nearly what he said:

> It was necessary to ask, had the policy, in fact contributed to the development of the livestock industry in eastern Canada? What justification was

there for a national agricultural policy which helped one group of livestock producers at the expense of another? Were there not more direct and more effective means of dealing with the development of the livestock industry in eastern Canada?

I suggest that this is true so far as the national policy is concerned in that assistance to this group of feeders in eastern Canada has more or less been confined to freight assistance plus some storage. Perhaps the setting up of an agency that will have control throughout the whole feeding season, and also control of the price all through the feeding season, is another matter to which Dr. Gilson was referring. I am happy to say that this is a very important part of the bill before us.

However, in addition to the feed grain dilemma we must give consideration to the situation of the feed grain producers in Ontario and Quebec, because to the extent that additional subsidies are paid on western grain being brought in to this part of the country, their price is depressed. At least the demand for their product is lessened in these areas. I should like to read another quotation from this conference. For example, the following is given as Dr. Gilson's opinion:

He was almost tempted to conclude, that all the feed freight assistance policy had accomplished for the livestock industry in eastern Canada during the past 20 years had been to provide an incentive for a reduction in the quantity of locally grown grains.

That is a pretty severe conclusion, but I have to agree that there is some validity in it, because since freight assistance on feed grain was instituted, I believe in 1944 or somewhere around that time, there has been a marked decline in the volume of feed grains produced in eastern Canada, particularly in eastern Ontario and Quebec. Therefore we have to take this question into consideration. I am sure there are a large number of farmers in Ontario and Quebec who depend for their livelihood on the price of the feed grains that they produce. As far as I am concerned, these people are just as important as those who depend upon the production of beef, pork or broilers in the poultry industry.

I am not going into a great deal of detail as to the provisions of this bill, because as I said at the outset—and I am sure the minister would agree—what is important is not so much what is in the bill but how its provisions are applied. I would give a word of caution in this respect. When a vehicle such as this is set up whereby government subsidies are advanced from time to time, and even increased from time to time to the advantage of one group, it may on occasion be tempting to allow these subsidies for one reason or another. Therefore when the minister administers the operation of this feed grain agency I think he will have to bear in mind constantly the impact on the whole country of any temporary change. He will not only have to bear in mind the impact on the whole country but on the farmers in the eastern region who may have a difference of interest, in that some would be more interested in a high price for feed grain and some would be more interested in a low price.

It may be tempting to solve local or temporary problems in this way because of pressure applied by a particular group. It may be tempting to increase subsidies for this reason, but I would hope caution would be used in this respect.

There is one other point of which I think the minister is probably aware, but I should like to draw it to his attention because I think it is important. I refer to the position of the feed grain producer in western Canada. I believe it is fair to say that if there had never been any feed grain freight assistance policy a large number of feed grains now being shipped from western to eastern Canada would never have started coming here, because there are large quantities of corn and other grains available in the United States that are closer to eastern Canada. In spite of the small duty, the competition from these grains in relation to grains from western Canada would have worked against the shipment of feed grains from western Canada to this part of the country. But we also have what at the present time seems to be a chronic problem, namely that of our international balance of payments. Our whole economy benefits and our problem in respect of international balance of payments is alleviated with every dollar's worth of goods, be it feed grain or anything else, that is produced and used in Canada.

In conclusion, Mr. Speaker, I would say to the minister that there are many, many contrary interests involved in what is contemplated in this feed grain agency. I hope that when the agency begins operations the minister will keep in mind the whole of Canada, rather than attempting to use the agency to satisfy some temporary local problem that may be raised.

Perhaps it would be more appropriate to discuss some of the powers of the board at another time, but I am concerned about one or two of the powers that will be granted to

this agency. For example, on page 3 of the bill, clause 6 (c) says that the board may, in furtherance of its objects, allocate space reserved for its use in any storage facility among persons requiring feed grain storage facilities in eastern Canada. My understanding at the moment is that all the terminal elevators along the St. Lawrence river, in so far as priorities and allocations for specific purposes are concerned, are now in the hands of the Board of Grain Commissioners. It seems to me that the authority given to this feed grain agency to allocate or reserve space will have to be applied in such a way that it does not conflict with the powers now in the hands of the Board of Grain Commissioners. It seems to me, also, that one will have to be very careful about balancing these priorities. The word "balancing" always enters into these discussions, because I think eastern feeders have as much right to some of the storage facilities as the western farmers have to a large part of the storage for overseas shipments of wheat during the winter months.

• (9:50 p.m.)

And so it seems to me that perhaps one of the best ways of resolving this problem is to give some kind of joint power, or at least require that some negotiations take place between these two agencies so that they can take into account the interest of both the groups concerned. As is provided later on in clause 6, I think it is useful for this board to conduct a continuing study of prices, feed grain consumption and handling and shipping facilities, because one of the difficulties has been in getting accurate information on how much grain is in store at the end of the season, how much should have been put in store and what was the price, taking into account all the factors contributing to that price, and then to see what happens to that price later on during the feeding season. There has been contradictory evidence, but if we had an agency set up to conduct a continuing study and to assemble all the facts and figures, it would certainly be useful.

As I said, Mr. Speaker, my main purpose is to caution the minister and the administration because I regard this bill as a means of providing a useful agency which will render a service to Canada and to many Canadians. On the other hand if the minister, the agency or the government should yield to some of the temptations held out to them from a certain group it could turn out to be one of the most discriminatory and harmful agencies that has ever been set up by this parliament. I rely on the minister to use sound judgment in the application of the powers that are involved in this bill.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, like most other hon. members who have spoken during the debate on Bill C-218 so far this evening, I should like to commend the minister on the introduction of this legislation. As the minister is undoubtedly aware, there are certainly mixed feelings in western Canada about the efficacy or desirability of bringing in this particular legislation. I myself, as a representative of a western agricultural constituency, have mixed feelings, but my reservations with respect to this legislation are not of sufficient degree to warrant my voting against it.

I certainly intend to support the establishment of a feed purchasing agency, my major reason being that the farmers of eastern Canada and British Columbia certainly deserve this kind of support from the government. After all it has how been several decades since the producers of western Canada have had the advantage of having their grain products handled by a crown grain handling agency, the action stipulated in this measure would seem merely to be a just action on the part of the government at this time. If one region of the country is to be given the advantages of a certain action by the government, such as the establishment by the crown of a grain handling agency, then other regions of the country should be entitled to the same kind of consideration and treatment if the economics warrant it.

To the best of my knowledge there have been conflicting opinions coming from a number of professional economists, some saying that there was scant justification for this kind of assistance and others quite firm in the opinion that there was an economic basis for it. The pattern seemed to me to be dependant upon what part of the country the particular economist came from. Certain agricultural organization spokesmen from western Canada, and one or two prairie ministers of agriculture, have expressed fairly strong opposition to this proposed legislation. Then again, there have been some—notably one Alfred Gleave, former president of the National Farmers Union—who, on several occasions over the past year has come out in support of the concept of a crown feed purchasing agency and also for the continuation of feed grain freight assistance.

Mr. Speaker, I realize it is very close to ten o'clock, but rather than call it ten o'clock and hold my remarks over until the next day, I would like to try to conclude in the next 60 seconds or so by simply saying to the minister that if there is opposition to this legislation, from certain quarters, there is at the same time a genuine need for the legislation in eastern Canada and in British Columbia. There is also support for it in western Canada, in the prairies, on the basis that what is being provided here is simply an extension of the benefits which have been extended to western producers over the course of many years.

Of course, I could ask a very valid question: Why is it that eastern purchasers of feed grain have not deemed it worth while to attempt to establish co-operative agencies for the purchasing of feed grains? After all, in western Canada several decades ago it was deemed advisable and necessary to do just that, to establish co-operative agencies for the handling of grain, and it has proved to be of great and immediate tangible value to the farmers. It seems to me that in like manner this would have been the case with respect to the purchase of grain in eastern Canada. However, it may well be that the logistics of organizing this kind of co-operative agency is simply beyond the scope and capacity of the co-operative groups existing in eastern Canada at this time.

Mr. Speaker, I would like to say that I heartily concur in and am in complete accord with what was already said by the hon. member for Medicine Hat (Mr. Olson), namely that it is not so much the legislation as the way in which the statute and regulations under it are applied that is important. This will determine whether or not the producers, and in particular the smaller farmers of eastern Canada, will get any real benefits or advantages from this policy or this legislation. We, the producers of western Canada will certainly be looking very closely at this agency and at how it works out in the course of the next year or two. If it comes to light that the ones who are really benefiting from the legislation are the virtually integrated livestock producers of the east, or that it is the distributors and speculators in feed that are benefiting to a larger degree, then of course this legislation will be deemed a failure. Therefore of course much remains to be seen. In the meantime our support is extended for Bill C-218.

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I wish to put a question to the acting house leader. In view of the fact that the program for today was changed, may I ask him what the government contemplates bringing forward tomorrow?

• (10:00 p.m.)

Mr. Pennell: Mr. Speaker, it is proposed to continue debate on Bill No. C-218 now before the house, to be followed by the estimates of the National Research Council and the Medical Research Council. This is to be followed by the estimates of the Auditor General and the insurance branch of the Department of Finance. Then we will take the estimates of the Department of Agriculture.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*Translation*]

HISTORICAL MONUMENTS

HISTORIC SITES—QUEBEC—DEMOLITION OF HOME OF SIR ALEXANDER GALT

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have a few remarks to make concerning the question I put yesterday to the Minister of Indian Affairs and Northern Development (Mr. Laing). Could the minister tell us why he ordered the demolition of Sir Alexander Galt's house in Sherbrooke, without giving notice to the Eastern Township Historical Society, and whether he intends to honour the memory of this Father of Confederation by restoring the remaining outbuildings?

Several months ago, the minister responsible for the national historic sites division agreed with the Quebec government, in the framework of centennial celebrations, to honour the memory of Sir Alexander Galt by restoring his old house which still stood in Sherbrooke until recently.

I leave it to the minister to indicate why he has ordered the demolition of that house. What I blame him or his officials for, is having ordered the demolition without having previously given notice to the Eastern Township Historical Society and the federal member for Sherbrooke who are greatly interested in the carrying out of the project. I hope the minister will nevertheless authorize

the commemoration of Sir Alexander Galt by restoring the outbuildings of the house or by erecting on that site a monument worthy of that great Canadian.

The project must be carried into effect, from both the historical and the confederative point of view, and I wish to draw the attention of the house to the great disenchantment of millions of Canadians, and particularly to that of the English speaking minority in Quebec, in the eastern townships and in Sherbrooke.

If the project is dropped altogether, it is unfair to an English Canadian who made a great contribution to the birth of this country.

People sometimes find that I give dynamic support to the viewpoint of French speaking Canadians from Quebec and elsewhere, but as for the feelings and the rights of English speaking Canadians in Quebec, I am eager to meet their just claims. National unity can be achieved only through equal treatment and mutual understanding.

I trust the minister has a favourable answer for us.

[*English*]

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to thank the hon. member for Sherbrooke for having raised this matter. I also want to assure him that I have received a considerable number of questions, and indeed complaints, from a variety of sources, including the hon. member for Richmond-Wolfe (Mr. Asselin) who has brought this situation to my attention a number of times during the past week.

I regret the occurrence very much indeed because apparently, as a result of the attempt to move this building, we have destroyed a house of one of the fathers of confederation, what was unquestionably an historic building of very great significance in the country.

I should like to tell the hon. gentleman what has gone on. This proposal goes back to 1962 when there was a private request for preservation of Galt House. My board—that is, the Historic Sites and Monuments Board —at that time approved the plan and said it was worth while saving, but no one came forward to participate.

In August, 1963, we again concurred, but asked that the matter of Galt House be kept over until we had had a look at the homes of as many of the fathers of confederation as we could possibly find in the various provinces, because there had been a suggestion that they should be preserved.

[Mr. Allard.]

On February 4, 1965, we had a telephone call from the Dominican Sisters, whose property it was, telling us that they were going to move the house or demolish it in any case because they were expanding their own property and wondered whether we were interested. At the same time we had correspondence from the Eastern Townships Historical Society, who appealed to the Quebec government at that time that the Quebec Commission for Historical Sites be asked to participate. They wrote a letter to Hon. Carrier Fortin on July 24 and received a letter from him saying that they would participate.

On December 10, 1965, the president of the Eastern Townships Historical Society, Mr. Bachand, wrote to the department setting out their efforts to save the house. On March 3, 1966, Hon. Carrier Fortin expressed the first indication that the provincial government was willing to enter into an agreement with the federal government to assume 50 per cent of the restoration cost. This was confirmed by him in a letter on April 5, 1966.

On April 27 the department wrote to Hon. Carrier Fortin pointing out that if the province would not participate to the extent of maintenance, we could not carry the building ourselves. We therefore requested that the city of Sherbrooke participate. Sherbrooke became involved on July 29 and agreed to assume part of the cost, if we removed the building.

Later on, at about the end of July, we were informed by the Dominican Sisters of the fact that on August 8 they intended to begin demolishing the building. Thereafter we made a very great effort—a hurried effort—to put in a contractor. We got a report which said that the old house could be moved. It is a brick dwelling sitting on 50 per cent bedrock. We were told it could be moved, and we proceeded to move it. We did not get very far.

This house has heard the story of the doctor and the operation. Here, neither the operation nor the consequences of it were successful. I think we have learned that it is probably impossible to move a brick house off that type of foundation when the mortar is 100 years old. The building collapsed. We were confronted with the possibility of losing the house, and naturally, an attempt was made to move it. We attempted to move it, and the attempt failed.

SHIPPING—BALA, ONTARIO—OBSTRUCTION OF NAVIGATION BY BRIDGE CONSTRUCTION

Mr. G. H. Aiken (Parry Sound-Muskoka): This afternoon I asked a question concerning wharf access. It is an urgent matter and involves an important principle.

Briefly stated, authority has been granted for the Canadian National to instal a fixed bridge in substitution for a swing bridge over Jeannette's Narrows on Lake Muskoka, which will close off all but small boat navigation to the wharf at the town of Bala, which is a town deriving most of its income from tourist traffic and the boat trade.

Moreover, a Privy Council order No. 1907 of 1965, and a Board of Transport Commissioner's order No. 121124 of June 17, 1966, were made without public or private notice to those affected.

Finally, the Canadian National sent in a crew to convert the bridge, while efforts were being made to delay the conversion.

For 75 years excursion boats have carried passengers on the Muskoka lakes. The town of Bala was a regular calling place. There was, and still is, a large wharf at Bala, and within the past several years it has been rebuilt. The approaches have been improved and extensive funds have been spent.

The excursion boat traffic went into decline, and about eight years ago Bala was discontinued as a port of call. The navigation company closed down. Where the mistake was made, I believe, was that after this wharf had been disused for some time it was assumed that it would never be used again for its previous purpose. It has now come about that use is requested of the wharf. Last year, Muskoka Excursions Limited put a large new excursion ship, the *Miss Muskoka*, on the lake. This year a second ship the *Lady Muskoka* was added to the fleet. Excursion ships and excursion boats have now resumed plying the lakes. The town of Bala, and the ship owners have arranged to have the ships call at Bala wharf.

On July 20 of this year the town of Bala applied to the Canadian National for permission to open the swing bridge. It was then that the existence of the orders I have referred to became known.

I have raised this question because the government has acquiesced in what is being done under a privy council order. In closing this means of navigation permanently, there is no alternate way for boats to come in to the Bala wharf.

• (10:10 p.m.)

If this had not been a government department the transaction would have been illegal under the Navigable Waters Protection Act. However, the government has the authority to make such an order, and it did so. My complaint is that the application was not founded on a proper basis and that an opportunity was not given to those interested to be heard and to explain what might happen in the future. I am asking the government now what means of access they intend to provide as an alternative to this bridge which is now closing off traffic to a major port on the lake at Bala Park.

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): The Canadian National Railways maintain a railway crossing over Jeannette's Narrows. Originally this was a swing span structure. In 1965 the company requested the approval of the Board of Transport Commissioners for the conversion of this structure to a fixed span structure. The company's aim was to reduce the costs of maintenance and operation. The board requested the Department of Public Works to review the application; and the department advised that it would have no objection to the proposal, provided certain conditions were met.

These conditions were, first, that there should be a vertical clearance of 11 feet 3 inches above high water level and, second, that there should be a horizontal clearance of 55 feet on the north side of the pivot pier and 43½ feet on the south side of that pier. It was thought that this clearance would accommodate most, if not all, the traffic—a traffic which it is believed consists largely of smaller pleasure craft.

I am informed that larger boats are able to make use of an alternative channel to enter the Bala harbour and that this channel, which is about two miles away from the structure we are discussing, provides 32 feet of vertical clearance and 42 feet of horizontal clearance. Obviously there is a difference between the information I have and that which has been provided by the hon. member for Parry Sound-Muskoka—a difference which I suspect we shall not be able to resolve tonight.

I want to thank the hon. member for putting forward the information he has adduced, and to thank him personally for making me interested in the prospects of visiting Bala Park.

Mr. Aiken: In a very small boat.

ROYAL CANADIAN MOUNTED POLICE—REQUEST FOR RETENTION OF MUSICAL RIDE AND EQUESTRIAN DUTIES

Mr. K. H. More (Regina City): My appearance here tonight arises through a misunderstanding. I had a consultation with Mr. Speaker about a question I had directed yesterday to the Solicitor General. I want to go on record that I have no criticism to make of the Speaker regarding the decision he reached. I apologize to him for having misunderstood him and gone through the motions I did to catch his eye, though perhaps I benefitted from it because I needed the exercise.

It is not my purpose to use my time debating with the Solicitor General about the problem I raised. There has been a change in the training of officers and men of the R.C.M.P. which has resulted in a curtailment in the use of horses. That is not the point at difference here. It is understood that the personnel, horses and necessary training equipment for the musical ride will be maintained for traditional and other purposes but, whether it is just a rumour or not, it is said that the training establishment is going to be moved to Ottawa.

This has caused great concern in my area and province, which for many years have been the centre for such training. We do not think there can be a good reason for moving the operation, and my purpose in asking the question of the Solicitor General was to establish precisely what the situation will be. So, without further debate I again ask him, is the government giving consideration to removing from the R.C.M.P. establishment in Regina the training equipment, forces and personnel needed for the musical ride and other equestrian duties? If so, has a final decision been taken, or is the minister giving sympathetic consideration to the many representations that these facilities should remain in Regina for historic and other substantial reasons?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the important matters raised in the question put by the hon. member have already been given intensive study, and perhaps it in only fair for me to say there was more than rumour in the move referred to by the hon. member. However, in view of the representations from the hon. member for Regina City (Mr. More), and from others, the matter is now being given further consideration before a final decision is reached.

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, October 7, 1966

The house met at 11 a.m.

TRANSPORT AND COMMUNICATIONS

Tenth report of standing committee on transport and communications—Mr. Macaluso.

[Note: *Text of the foregoing report appears in today's Votes and Proceedings.*]

CANADIAN BROADCASTING CORPORATION

TABLING OF CORRESPONDENCE RESPECTING RETIREMENT OF PRESIDENT

Right Hon. L. B. Pearson (Prime Minister): I should like to table the correspondence exchanged between the president of the Canadian Broadcasting Corporation and myself. In a letter dated October 5 the president, Mr. Ouimet, states that because of certain personal and professional reasons he has come to the conclusion that he should not carry on as head of the corporation after the proposed new legislation comes into effect, which he considers will be early in the new year.

When I received this letter I replied to Mr. Ouimet that in the circumstances outlined in his letter, which is now being tabled, I felt that, on behalf of the government, I would have to accept his decision, which I did with great regret; and I added, in my letter, an expression of gratitude and appreciation for the outstanding contribution Mr. Ouimet has made to the corporation over a long period of years.

Mr. Speaker: Is it agreed that the correspondence referred to by the Right Hon. Prime Minister be tabled?

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I will say at once, as far as the president of the C.B.C. is concerned, that we appointed him when we were in power and that he has served at length in the position to which he was appointed.

However, behind all this there is great uncertainty regarding the Canadian Broadcasting Corporation, and I feel the committee on broadcasting should be convened at once. We would like to know what is to happen to Captain Briggs. Has the government communicated with him? Has he been informed whether he is to be continued in office beyond the period for which his appointment runs, which I believe is up to the latter part of January, 1967.

We should also like to know the circumstances in which Mr. John Kerr was appointed as supervisor of programs, one of the most sensitive of the senior positions if the C.B.C. is to remain politically unimpaired.

• (11:10 a.m.)

Mr. Speaker: Order, please. I feel I must intervene, if the right hon. Leader of the Opposition would allow me to do so. My understanding of the statement made by the Prime Minister is that the correspondence tabled referred exclusively to the president of the C.B.C., and the practice is to limit comments to the subject matter of announcements or statements made by the Prime Minister or other ministers.

Mr. Diefenbaker: Mr. Speaker, I mentioned the resignation as part of the major problem, but Your Honour rules I cannot do so. Therefore I simply conclude by saying that what is happening indicates that all is not well in the C.B.C., and that the time has come for a parliamentary investigation.

CONSUMER CREDIT

CONCURRENCE IN FIRST AND SECOND REPORTS OF SPECIAL JOINT COMMITTEE

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, if the house gives its consent I move, seconded by Mr. Allmand:

That the first and second reports of the special joint committee on consumer credit, presented to the house on Friday, April 1, and Thursday, October 6, respectively, be concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, we in this party gladly concur in these two reports because we think it is

imperative that a committee with such a heavy responsibility be allowed to sit while the house is sitting. My only purpose in rising is to express the hope that the terms of reference of this committee are wide enough to cover a general investigation into consumer prices.

The other day when we endeavoured to raise the matter of car prices it was suggested by members of the cabinet that the committee on consumer credit would deal with it. I can understand that the committee must set up certain orders of priority, and I believe at the present time it is dealing with food prices. I wish to express the hope that it will go on to deal with automobile prices fairly soon, because 1967 cars are now on the market, or will be in the course of the next few weeks, which makes this an appropriate time to have an investigation into car prices.

If the terms of reference are not sufficiently wide, then I hope the committee will bring to the house a request seeking the necessary powers for an investigation into the newly announced prices for 1967 model automobiles.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to join with the hon. member for Burnaby-Coquitlam in saying that there is an urgent need for this joint committee on consumer credit to carry on with its important investigations. I understand there are a large number of witnesses to be called; therefore we are in agreement that every opportunity should be given to the committee to carry on with its work. We support the motion.

Motion agreed to.

RESEARCH

PROVISION FOR GRANTS TO CORPORATIONS FOR RESEARCH AND DEVELOPMENT

Hon. C. M. Drury (Minister of Industry) 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 encourage the initiation of programs and the expansion of existing programs of scientific research and development in Canada by the payment out of the consolidated revenue fund, on the authorization of the Minister of Industry, to corporations incorporated in and carrying on business in Canada, of grants in respect of capital expenditures in Canada, and in respect of increases in current expenditures in Canada over a specified base period by such corporations on scientific research and development in fiscal periods commencing with the fiscal periods of such corporations ending in 1966; to provide that such scientific research and development grants shall be exempt from income tax; and to provide for amendments to the Income Tax Act that are incidental to or consequential on the introduction of the said measure.

Motion agreed to.

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING LOAN RATIO ON RENTAL HOUSING, LOANS ON EXISTING HOUSING, ETC.

Hon. G. J. McIlraith (for the Minister of Labour) 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 National Housing Act, 1954, to further encourage the demand for housing by increasing the loan ratio for rental housing from 85 per cent of the lending value to 90 per cent of the lending value; by providing that loans made to persons who intend to purchase, improve and occupy existing housing be insurable on conditions similar to loans made for new housing; by increasing from eight and one-half billion dollars to nine and one-half billion dollars the aggregate amount of all loans that may be insured under the Act; by increasing from three and one-quarter billion dollars to four billion dollars the maximum charge on the consolidated revenue fund for lending by Central Mortgage and Housing Corporation; by authorizing the corporation, with the approval of the government of the province concerned, to make loans for student housing projects which will not be restricted only to the accommodation of university students; by increasing from two hundred million dollars to three hundred and fifty million dollars the amounts that may be paid out of the consolidated revenue fund as loans for student housing projects for reimbursement for losses sustained on loans for such projects; and by extending for an additional three years the period within which the construction of a sewage treatment project in respect of which a loan has been or is to be made under part VIB of the act must be compleed if the municipality or municipal sewerage corporation is to be forgiven payment of a part of the principal amount of the loan and of the accrued interest thereon.

Motion agreed to.

EXTERNAL AFFAIRS

SUGGESTED CANADIAN PARTICIPATION IN EXECUTION OF GERMAN WAR PRISONERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the matter I should like to bring to the attention of the Prime Minister is one which I am sure already has received his attention, namely the heinous suggestion in *Der Spiegel* which casts an unwarranted slur on members of the Canadian armed forces. I refer, of course to

the article which suggests that on May 13, 1945 certain unnamed Canadian authorities assisted in the trial and execution for desertion of two German prisoners of war.

Has this matter been reviewed, and will the Prime Minister assure the house and the country that this story is a tissue of falsehoods?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am very glad the right hon. gentleman has brought up this matter. I have been discussing it with the Minister of National Defence, and he is in a position to reply.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, as soon as Professor McWhinney brought this *Der Spiegel* article to our attention we referred it to the appropriate officials of the department for a complete investigation. The investigation is under way and a certain amount of preliminary information is available. As soon as all the facts are assembled we will be in a position to make a statement to the house.

Mr. Diefenbaker: Is the minister prepared to say, on the basis of the preliminary investigation, that this story now, after 21 years, is without foundation.

Mr. Hellyer: Mr. Speaker, I think it would be inadvisable for me to go into detail, but I do think in so far as this story is concerned the facts will indicate as the right hon. gentleman has suggested.

NATURAL GAS

CHANGE IN DECISION RESPECTING CONSTRUCTION OF LINE THROUGH U.S.

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the right hon. the Prime Minister. I should like to ask when he or the responsible minister will make a statement to the house giving the reasons the government has reversed its decision with regard to the construction by Trans-Canada Pipe Lines of a pipeline through the United States.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would very glad indeed to have the minister make a statement at the first opportunity. It is not a question of the government reversing its decision; it is a question of Trans-Canada reversing its decision and providing for certain undertakings which, had they been included in the original application, would have enabled the government to arrive at a different decision. I will be glad, however, to go into the matter in detail at the first opportunity.

Mr. R. K. Andras (Port Arthur): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister assure us that the related requirements of Trans-Canada Pipe Lines, which includes looping of the existing line through northern Ontario beginning in 1970, will be written as firm legal contractual obligations, with appropriate penalties for non-performance?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I can assure my hon. friend and the house that the undertaking referred to will be incorporated in a formal agreement between the company and the minister responsible. As hon. members know, exports and imports of gas cannot be made without licences issued by the National Energy Board and approval by the governor in council. Licences in this instance will be related to the formal agreement between the company and the minister.

Mr. Douglas: Mr. Speaker, I have a supplementary question. May I ask the Prime Minister how soon copies of this agreement will be available, and how soon he expects the Minister of Energy, Mines and Resources will be making a statement on this matter to the house.

Mr. Pearson: That should be possible shortly. I would hope it could be done next week. I will discuss it with the minister at once.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I ask a supplementary question. Could the right hon. Prime Minister give the house some idea when it is expected the F.P.C. will be considering the new decision by the Canadian government in relation to the United States part of the Trans-Canada pipe line.

Mr. Pearson: The federal power commission has been considering this matter and will now be considering it in the light of the recent decision taken in Ottawa. I cannot tell my hon. friend when that consideration is likely to result in a conclusion. I would hope it would be without unnecessary delay.

Inquiries of the Ministry

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—EXTENSION OF TELEVISION SERVICE IN CHIBOUGAMAU

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Secretary of State.

Can the hon. member tell us whether, as a result of the recent announcement made by the Board of Broadcast Governors, it can be expected that free television service will soon be extended, as everywhere else in Canada, to the Chibougamau-Chapais, Parent, Clova region and other centres in northwestern Quebec?

[*English*]

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I apologize to the hon. gentleman for not being able to answer the question in the language in which it was posed. I am sure he knows there is included in the white paper a program of priority of services to be extended wherever possible to all individuals in Canada who are not now receiving such services. The C.B.C. is able to read and has read the white paper and is, I am informed, already in the process of making its plans in order to fulfil the purpose of that paper.

DEFENCE PRODUCTION

REPORTED U.S. DECISION RESPECTING F-5 AIRCRAFT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I direct my question to the Minister of Industry in his capacity regarding defence production. In light of the reports to the effect that Defence Secretary McNamara has decided that the United States defence department will not purchase the F-5 aircraft, has the minister been able to confirm this decision; and if so, how will this affect any defence production sharing agreements we may have with the United States in connection with these aircraft?

Hon. C. M. Drury (Minister of Industry): It was not contemplated at the time that the F-5 was ordered for use by Canada there would be production of the aircraft in Canada for use by the United States. As the hon. gentleman knows, it is already in production in the United States. The decision of the secretary of defence of the United States, if indeed such a decision has been made, not to purchase the F-5 would not have any bearing on the production or manufacture of the F-5 in Canada.

Mr. Lambert: I have a supplementary question. Will the minister indicate just how this decision will affect defence production facilities in Canada having regard to our potential requirement for the CF-5? Will he also indicate at the same time whether 125 aircraft are still to be produced, or has this figure been reduced to something in the neighbourhood of 80 or 85?

Mr. Drury: Mr. Speaker, the first question is involved and would require a very complex answer. At the present time there has been no change in the number of CF-5's ordered.

NATIONAL DEFENCE

REQUEST FOR CONSIDERATION OF UNIFICATION BY HOUSE COMMITTEE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to address a question to the Minister of National Defence in reference again to the matter raised yesterday by members of the official opposition. In light of the representations which the minister said yesterday he had not read, has the minister or the government reconsidered this question of referring the subject matter of the unification of the armed services to the defence committee of this house before the house is asked to approve in principle a bill dealing with this matter?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, as my hon. friend is aware, in order to refer a bill after first reading we would require unanimous consent of the house. I think hon. members would want to address themselves to the other question, as to whether that course would in any event be desirable.

Mr. Winkler: Just try us.

Mr. Brewin: I have a supplementary question. Would it not be possible to refer this subject matter to the defence committee before first reading in order that we do not have to approve of it in principle before that committee has thoroughly studied the matter?

Some hon. Members: Hear, hear.

Mr. Hellyer: Mr. Speaker, I have great confidence in the ability of members of this house to consider the issue involved, and I am sure that if we proceed in the normal manner and the opportunity is provided for full discussion of that issue, members will be able to take their responsibility in the normal manner.

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. Could the minister tell the house whether there is one logical reason why this whole question could not now be referred to the defence committee, so that officers, former officers and other persons could testify before the committee?

Mr. Speaker: Order, please. I suggest to the hon. member that his question is argumentative.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a supplementary question and it is this. In view of the revelation by Admiral Landymore that his evidence was changed while in the possession of the minister and before presentation to the committee, does the minister not consider this is something that the defence committee should look into to ascertain whether the policy that will be set out in the bill to be introduced is indeed one for the benefit of Canada?

Mr. Hellyer: No, Mr. Speaker. I think when the bill is referred to the committee full opportunity will be available—

Mr. Diefenbaker: That will be too late.

Mr. Hellyer: —if the committee so desires to check all allegations of this nature and to look at the original document and what he actually said side by side. When that is done they will find there was no restriction whatsoever in so far as his discussion of unification was concerned; none.

Mr. Diefenbaker: In that gratuitous addition to the minister's answer, Mr. Speaker, does he say that he did not have a change made in the evidence while it was in his possession?

Mr. Speaker: Order, please.

Mr. Diefenbaker: Does he say that?

Mr. Hellyer: Mr. Speaker, I have already—

Mr. Speaker: Order, please. It seems to me that we are at this time having the debate the minister says we should have in committee.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of National Defence. Now that the minister has admitted to Mr. Scott Young of the *Globe and Mail* that his premature retirement of service personnel in 1964 and 1965 was very damaging to morale, will he not agree to an immediate examination by the committee on defence of his unification program to avoid similar error?

Mr. Speaker: Order, please. I am sure the hon. member who asked this question will recognize it is not asked in proper form. The question contains allegations that are not normal in such questions.

Mr. Churchill: I had hoped for a vague answer from the minister.

Mr. Hellyer: I would be very pleased to provide one, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: There is an admission.

Mr. Churchill: Don't change *Hansard* tomorrow.

RESEARCH

REQUEST FOR REMOVAL OF ALLEGED FREEZE ON EXPENDITURES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I address my question to the Minister of Finance. I would ask the minister, will the government reconsider its freeze on research spending in view of the very latest reports indicating that our medical teachers and medical research personnel are continuing to move to the United States?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am very happy that the hon. member has asked this question, because there is no freeze. There will be a very substantial increase in research expenditure by the government; not as great as we would have felt desirable, but very substantial indeed.

Some hon. Members: Hear, hear.

Mr. Grafftey: Mr. Speaker, I would address a supplementary question to the Minister of Industry, who is responsible for answering to the house on medical research matters. Can the minister assure the house that this substantial increase in expenditure will include medical research, in order to stop a potentially serious doctor shortage in this nation?

Inquiries of the Ministry

Hon. C. M. Drury (Minister of Industry): I can give that assurance right now, Mr. Speaker, and I will be elaborating, more fully on this matter I hope, later this afternoon.

Mr. William Dean Howe (Hamilton South): I have a supplementary question, Mr. Speaker. I should like to ask the Minister of Finance whether this increase will be sufficient to satisfy the demands of the Gundy report, which has been endorsed by the deans of faculties of medicine across Canada as well as by hundreds of scientists—

Mr. Speaker: Order, please. I think the question now being put by the hon. member is argumentative.

TRADE

WHEAT—PROSPECTS FOR FURTHER SALES TO RUSSIA

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the record wheat crop which Russia expects to harvest this year, will the minister advise the house what effect the wheat board estimates this will have on Russian orders for Canadian wheat during the next 12 months?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not sure that this is a proper question, but I will be governed by your ruling. The wheat board believes there will be a very active demand for Canadian wheat over the next few years.

ALLEGED CONTRADICTION IN MINISTERS' STATEMENTS RESPECTING CREDIT FACILITIES

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I have a problem which refers to a contradiction between statements made by ministers of the crown. If both these statements had been made in the house a question of privilege would of course be involved. However, since one was made outside the house I will have to try to find out by questions to the ministers which is the correct statement.

The question I wish to put is based upon an article which appeared in the *Free Press* on September 29, 1966, under the byline of Joyce Fairbairn, in which she is quoting the Minister of Trade and Commerce on the subject of assisting those nations which are buying wheat from us on credit under long term agreements to obtain that credit. These words in the article are in quotation marks.

Mr. Speaker: Order, please. The hon. member knows that he cannot make a speech at this time. He can ask a question which should be short, succinct and to the point. He cannot quote from a newspaper report in asking a question.

Mr. Hamilton: In that case, Mr. Speaker, I will ask my question in this way; it is addressed to the Minister of Finance. The Minister of Trade and Commerce (Mr. Winters) apparently made a statement on September 29 that credit would be made available under the Export Credits Insurance Act. I should like an affirmation that this assurance, given by the minister in charge of the Export Credits Insurance Act, is correct and was made on that date.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have not seen this statement.

[*Translation*]

TRANSPORT

LOTBINIERE, QUE.—REQUEST FOR PROTECTION AT LEVEL CROSSING

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I wish to direct my question to the hon. Minister of Transport and I trust that he will be able to solve the problem.

In view of the tragedy which occurred at a railway crossing in Lotbinière county where there are no signal lights and which cost the lives of four people, I would like to ask the minister if he intends to take the necessary steps and use all his influence with railway companies so that signal lights or adequate protection may be installed at all railway crossings?

Mr. Speaker: I think the hon. member's question is primarily of local interest. I admit it is important—

Mr. Choquette: Mr. Speaker, I rise on a question of privilege. Another tragedy occurred in Drummond county—

Mr. Speaker: Order. The hon. member will undoubtedly wish to make representations to the minister if he believes the matter is urgent or, if he prefers, put the question on the order paper.

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

[*English*]

LABOUR CONDITIONS

LOUISBURG, N.S.—LAY-OFF OF WORKERS AT HISTORIC SITE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to address my question to the Prime Minister. Yesterday we received assurances from the Minister of Labour and the Minister of Manpower and Immigration that there was no change in the winter works program other than the $500 winter housing program. Would the Prime Minister take the necessary steps to ensure that no lay-offs will take place in the Louisburg project screened behind the fact that the assistance with which the government maintains the winter works program is not available this winter?

Right Hon. L. B. Pearson (Prime Minister): We will do our best to see that this does not happen.

COAL

POSSIBLE PUBLIC OWNERSHIP OF CERTAIN MARITIME PROVINCE MINES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Industry. I apologize for not giving him notice, but would the minister mind informing the house whether the government is giving serious consideration to the bringing of certain coal mines in the maritimes under public ownership?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the question of coal mining in the maritimes is a subject which has been under serious examination by the government for some time. As soon as this examination has been concluded an announcement will be made.

Mr. Robert Muir (Cape Breton North and Victoria): I have a supplementary question, Mr. Speaker, which I wish to address to the Minister of Industry. In view of the fact that one year and two days ago, on October 5 last, the Minister of Labour made a statement regarding assistance for the coal mines in Nova Scotia, does he not think it is now time to make a decision to do something in this matter?

Hon. Mitchell Sharp (Minister of Finance): May I be permitted to answer the question, Mr. Speaker, and say to the house and to the hon. member that the Donald report, which is one of the main documents concerned here, will be tabled on Tuesday.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

MONTREAL—PROPOSED SITE FOR NEW HEADQUARTERS BUILDING

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the hon. Secretary of State.

Can the minister tell the house whether a contract authorizing the construction of a motel on the new C.B.C. site in Montreal has been signed and with whom?

Mr. Speaker: Order. I suggest the hon. member should put his question on the order paper.

Mr. Allard: I should, therefore, Mr. Speaker, like to discuss this matter at ten o'clock.

[*English*]

REQUEST FOR TABLING OF SHEPPARD REPORT

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I should like to ask a question of the Secretary of State, particularly in view of the statement made today by the Prime Minister regarding the president of the C.B.C. Is it the intention of the hon. lady to table the Sheppard report so members of the house can share in the revelations it undoubtedly contains?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, the so-called Sheppard report is a confidential report prepared for the office of the Secretary of State. It is a very long document and it is still being considered. I have not as yet even received comments from the various agencies. If it is to be tabled, and that decision has not yet been made, it will not be soon.

Mr. Brand: May I ask a supplementary question, Mr. Speaker? I wonder whether the hon. lady would then consider making the report available for consideration and study by the standing committee on broadcasting, films and assistance to the arts?

Miss LaMarsh: I will consider it, but that would certainly be making it public.

Inquiries of the Ministry

REQUEST FOR RETURN OF PROGRAM "AUJOURD'HUI"

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, the Secretary of State has already been informed of the question I wish to direct to her. My question is as follows. Has the hon. lady the intention of taking the necessary measures to order back to our local T.V. screens in the Saguenay and Lac-Saint-Jean region the program entitled "Aujourd'hui"?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have not received notice of this question; however, I will be happy to take this as notice. As my hon. friend knows, I have no responsibility for programming and will have to refer it to the C.B.C.

NATIONAL DEFENCE

INQUIRY AS TO PAY INCREASES FOR MILITIA FORCES

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a short question for the Minister of National Defence. Were the militia forces included in the recent pay increases?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker. The question is being considered separately from that of the regular force .

Mr. Dinsdale: I have a supplementary question, Mr. Speaker. I take it from that answer that the salaries of this citizens' group, which has always been the backbone of the armed forces, will be brought into line with the present pay structure.

Mr. Hellyer: All I can assure you, Mr. Speaker, and through you my hon. friend, is that all factors will be taken into consideration, such as the present rates of pay, the requirements in respect of those rates of pay, the tremendous contribution they have made to Canada in the past, their present relationship to the armed forces of Canada, and the best value possible for the taxpayers of this country.

POWER

CHURCHILL FALLS—INQUIRY AS TO EXPORT APPLICATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposiion): Mr. Speaker, I will direct my question to the Minister of Energy, Mines and Resources and ask him this. Now that the Johnson government of Quebec has approved of the purchase of power from Churchill Falls, thus making possible one of the largest hydro developments in North America, what is the situation with regard to export of power to the United States? Second, has any conclusion been reached regarding the export of power to Consolidated Edison in New York and to the state of Vermont; and third, has there been any application made to the National Energy Board in this connection?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): No applicaion has as yet been made, Mr. Speaker. I am informed that in a few days we will receive the answer to these questions from the premier of Quebec himself.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker; I would like to ask the hon. minister if the Quebec government has communicated with his department—

[*English*]

Mr. Diefenbaker: I have a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Lapointe is now speaking on a supplementary question.

[*Translation*]

Mr. Grégoire: A supplementary question. I would like to ask the hon. Minister of Energy, Mines and Resources if the Quebec government has communicated with the federal authorities concerning the possibility of setting up nuclear plants on Quebec soil and if a report may be tabled on that matter?

Mr. Pepin: I am told that the Quebec government has made an exhaustive study of the whole subject before making a decision.

Mr. Grégoire: A further supplementary question, since this is not quite the answer to the question I have asked.

Has the Quebec government inquired of the central government as to the possibility and necessary details related to the setting up of a nuclear energy plant on Quebec soil?

Mr. Speaker: I suggest to the hon. member that his question is out of order. He is merely asking whether the Quebec government looked into certain matters. I do not believe the question can be accepted as presently worded.

Mr. Grégoire: Mr. Speaker, allow me to reword my question so that it might be in order.

Has the federal government made an investigation, at the request of the Quebec government, into the possibility of building a nuclear power plant in the province of Quebec?

Hon. C. M. Drury (Minister of Industry): A statement has already been made with regard to the construction of a nuclear plant at Bécancour. I do not know whether that is what the hon. member has in mind, but that plan has already been announced and its construction is now in the process of being launched.

[*English*]

Mr. Diefenbaker: On a supplementary question, Mr. Speaker. The minister said an announcement would be made by the premier of Quebec, but my question had to do with the responsibilities of the federal government. Does the minister suggest that the export of power is a matter within the jurisdiction of the provinces, and that the National Energy Board has no authority?

Mr. Pepin: I was not saying that at all. I was saying that the announcement with regard to the content of the agreement between Quebec and Brinco will be made in the coming days. Then we will know if there is any export content in this contract, and we will know if the jurisdiction of the National Energy Board will apply.

Mr. Diefenbaker: The minister at this moment does not know what the contents are; is that his suggestion?

Mr. Pepin: I have no trouble in admitting that is true.

[*Translation*]

Mr. Grégoire: Mr. Speaker, another supplementary question.

Mr. Speaker: Order.

Mr. Grégoire: Another supplementary question, Mr. Speaker.

Mr. Speaker: Order. Five or six supplementary questions have already been put on this point and the hon. member for New Westminster (Mr. Mather) has caught my eye.

[*English*]

NORTHERN AFFAIRS

REPRESENTATIONS RESPECTING REPORT OF COMMITTEE ON DEVELOPMENT OF GOVERNMENT

On the orders of the day:

Mr. Barry Mather (New Westminster): I had a question I wanted to ask the Minister of Indian Affairs and Northern Development, but perhaps in his absence I will direct it to his parliamentary secretary. Having in mind the far reaching recommendations by the commission on government in the north tabled in the house yesterday, will there be an opportunity for the people of the north to express their reaction to these recommendations before this house or the government implements them? I should like the minister's secretary to take notice of this question.

EXTERNAL AFFAIRS

INQUIRY AS TO DIPLOMATIC RECOGNITION OF MAINLAND CHINESE GOVERNMENT

On the orders of the day:

Hon. George Hees (Northumberland): I should like to address a question to the Prime Minister. In view of the statement last night by the Secretary of State for External Affairs that Canada intends to assist and encourage in every possible way trade between mainland China and this country, is the government considering at this time the possibility of establishing diplomatic relations with mainland China as a positive means of assisting this Canadian-Chinese trade?

Right Hon. L. B. Pearson (Prime Minister): The trade to which my hon. friend refers, of course, is trade in non-strategic materials, and as my hon. friend knows that particular trade is within the list set up by our friends. The other question is one of far reaching importance, and I am not in a position to answer it on orders of the day.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): I have a question for the Solicitor General in relation to the arrest of the unfortunate man in Toronto in connection with the murder of an 88 year old woman. Can the Solicitor General advise this house whether he will be defended by an able lawyer on his way to the bench or an avaricious fiction writer on her way to the bank?

Inquiries of the Ministry

PUBLIC SERVICE

REQUEST FOR NEGOTIATIONS ON BASIS OF COLLECTIVE BARGAINING PRINCIPLES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the minister's announcement during the recess that the implementation of formal collective bargaining in the civil service is being postponed, will the government consider negotiating with its employees in the meantime on the basis of collective bargaining principles?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, as my hon. friend knows, under existing legislation the government has not got the right to do this. My hope is that the legislation will be dealt with by the committee and by the house rather quickly, and that we may be able to determine the ultimate salaries of group D employees, which are presently up for consideration, through the collective bargaining process.

REPRESENTATIONS RESPECTING SALARIES OF POSTAL WORKERS

On the orders of the day:

Mr. Reid Scott (Danforth): I wanted to direct a question to the Postmaster General. Has the minister received representations from the International Association of Machinists in Toronto protesting what they term the inadequate pay increases for their skilled personnel, and complaining that if this experience is widespread it will result in skilled labour flowing out of the Post Office Department? Has consideration been given to these representations and what is the nature of the response, if any, to them?

Hon. Jean-Pierre Côté (Postmaster General): I did not receive the representations personally, but I will check in my office.

Mr. Scott (Danforth): Let me make those representations now.

GRAIN

REQUEST FOR INCREASE IN PRICE UNDER INTERNATIONAL WHEAT AGREEMENT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): I should like to direct a question to the Minister of Finance in his capacity as reporting to this house for the Canadian Wheat Board. In view of the optimistic remarks the minister made a few minutes ago with regard to the possibility of Canada selling a large amount of grain in the next few years, will the minister and his officials take every step to see that a new international wheat agreement is developed with an increase in price for the farmers of western Canada to help eliminate the cost-price squeeze?

[Mr. Cowan.]

Hon. Mitchell Sharp (Minister of Finance): This will be the objective of the Canadian delegation.

IMMIGRATION

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is addressed to the Minister of Manpower and Immigration. It may be that I have missed this information, but in the light of reported statements by the minister that he would be tabling a white paper on immigration, could he tell the house now whether a firm date has been fixed for that tabling so we can get on with the legislation which is holding up so many applications?

Hon. Jean Marchand (Minister of Manpower and Immigration): I cannot give a firm date, but I can tell you it will probably be some time next week.

AGRICULTURE

CREAM—REPORTED DELAY IN SUBSIDY PAYMENTS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to ask the Minister of Agriculture if he would undertake to make a statement in this house respecting what now appears to be an undue delay in the issuing of cheques for the cream subsidy. It appears some farmers have not received them as yet, though they were under the impression they were going to get these cheques months ago. There must be a reason, and I am just asking the minister if he would explain to these people why they are not receiving their cheques.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, as my hon. friend knows there are a great number of recipients of cheques this year who were not previously registered. I must say that we are encountering some administrative difficulties in having them all enrolled as quickly as we would like. Some of the factories are not getting their returns in sufficiently quickly. I will look into it. My

estimates may be before the house shortly, in fact I have been told they may be before the house today, and I will be prepared to give a statement at that time.

UNITED NATIONS

SOUTH-WEST AFRICA—CANADIAN POSITION RESPECTING MANDATE OF SOUTH AFRICA

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can he tell us what position Canada will be taking at the United Nations with regard to the mandate of South Africa over South-West Africa?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs will be making a statement in the United Nations on this matter this afternoon, I expect, and I would hate to scoop the Secretary of State for External Affairs.

Mr. Knowles: Would the Prime Minister arrange for an explanation of the minister's statement to be produced so we will know what it means?

Mr. Pearson: My hon. friend may not know what it means, but 115 delegates in New York will.

Mr. Starr: There is some question about that, too.

[*Translation*]

FINANCE

SUGGESTED TAX CONCESSIONS TO COMPANIES DEVELOPING POWER

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Did he receive a request from the governments of Newfoundland and Quebec for exemption from the corporation profits tax of all companies operating, developing or distributing energy resources in two or more provinces?

Mr. Speaker: This question should be put on the order paper.

[*English*]

INDIAN AFFAIRS

SASKATCHEWAN—PRESERVATION OF INDIAN SHRINE

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I have a question for the Minister of Agriculture. Could the minister inform the house what arrangements have been made to move and save the Indian shrine known as Mistaseni, which could be lost under the rising waters of the South Saskatchewan river dam if it is not moved to higher ground soon?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, arrangements were made to have the Prairie Farm Rehabilitation Act officials negotiate and discuss this question with the local committee, which I think has a particular interest in this matter as it has raised some funds, to try to see if some way could be determined for preserving at least part of the rock on a basis that was economically feasible.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

The house resumed, from Thursday, October 6, consideration of the motion of Mr. Sauvé for the second reading of Bill No. C-218, to provide assistance to livestock feeders in eastern Canada and British Columbia.

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

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I wish to take full advantage of this opportunity to make some remarks on the Canadian livestock feed board contemplated under Bill No. C-218.

Because of the importance of the principle of this bill the members of the opposition have followed its development with a great deal of interest. Certainly, on hearing the remarks of the minister, and having had an opportunity of examining them in detail, we can find no quarrel with the object of the bill, which is to rectify an unfortunate condition that has existed in eastern Canada for some years with respect to what was considered by livestock feeders and the producers of feed grains as abnormal profit taking, especially under conditions of short supply or increased transportation cost.

Having said that we have no objection to the principle of the bill, may I take these few moments allocated to me to point out some clauses of the bill which have given me great misgivings.

In developing this bill to correct a grave problem the government has, by the provisions of the bill, projected itself further into free enterprise. That is so because under the

provisions of this bill the committee as set up can have almost unlimited power as far as the flow of feed grains is concerned. Once again this is an attempt to correct the situation in one segment of Canada. As happens in matters of this kind when such corrective measures are taken, something, that can be of benefit to one locality of Canada very often works a hardship to other sections of Canada.

When we look at the principle of this bill and the way in which it is set out, the first thing that comes to mind is the fact that we seem to be working to contrary ends. It is true that we have a grain board in the west that has worked very successfully throughout the years and has been responsible for the continuing high prices received by western producers of feed grains and grains of all kinds. Now, however, under this bill the government proposes to set up a government bureau the principle of which is in effect almost directly contrary to the principle of the wheat board in the west.

The purpose of this bill, Mr. Speaker, as I understand it is to use every means within the power granted by the government to procure feed grains for eastern Canada and British Columbia at the lowest possible price. So we have in one region of Canada a government bureau which has been set up to promote the highest possible prices for feed grain, and in another region of Canada another government bureau which has been set up to promote the very lowest prices for feed grain.

Not only does this seem to involve an impossible situation, but consider, if you will, where it puts provinces such as Ontario, which is becoming a major producer of feed grains. In fact, Mr. Speaker, with respect to such grains as corn, oats and feed wheat, we in Ontario may soon find ourselves in an exporting position. Consider, if you will, where the carrying out of the principle of this bill would place the producers in Ontario.

There is no doubt that the only market the producers of Ontario feed grain will have is in the east. This is our traditional market, and this bill places us in this impossible position: we shall be selling feed grain to our traditional eastern market—which is and will be controlled, if the bill passes in its present form, by a government agency—in direct competition with the producers of feed grain in the west, who are protected by another government agency.

[Mr. Danforth.]

I think this should cause us to reflect on exactly what the government is doing. Also, Mr. Speaker, because of the government's subsidy on all western feed grains going into eastern Canada, we in Ontario have the additional handicap of having to pay freight on our grains going into eastern Canada in some instances six times as high as that paid with respect to feed grains coming from western Canada into eastern Canada.

If this bill is passed and such principles are set in motion—where a government agency controls the price of feed grains in an entire Canadian region and the avowed principle of such agency is to keep feed grains at the lowest possible price—in what position does it put those farmers in that region whose sole livelihood is derived from the production of feed grains? They would not be able to take advantage of any tremendous rise in the market. They would not be able to take advantage of the laws of supply and demand. Those farmers would be under direct government control in the prices they would be asked to accept.

When we look at the composition of the committee that is to administer this bill and look at the power that may or will be given to it, it is logical for us, on examining this bill, to look at the ultimate power that may be wielded by the committee as being the power we should consider. What do we find? First of all we find that this so called committee—consisting of five members, I believe—is appointed at the pleasure of the government. In other words the members are appointed for life, or until such time as they reach the age of retirement.

• (12:00 noon)

Now, the power which is granted to them is the power to buy, sell, transport or store feed grain to be used in eastern Canada and British Columbia. Mr. Speaker, these are the absolute powers which are set out in any provincial marketing scheme. The only difference, as far as I can see, is that the bill fails to provide two safeguards which the provinces always include; first, that any committee set up to regulate a marketing scheme should reach decisions only after advice has been given or recommendations heard from the groups who are affected by the scheme; and second, that individuals or groups of individuals who consider themselves the victims of an injustice have the right of appeal.

I am wondering also whether the absolute power granted to this committee is not an infringement of the authority of provincial

marketing boards. I say this because in Ontario there are already marketing boards set up to control the handling of grains used for feed. How are the provisions and regulations of provincial marketing boards to be reconciled with those introduced by the board contemplated under the bill before us? There could well be a direct conflict of interest because of the regional interests of both. I fail to see how such a problem could be resolved.

There is no doubt in my mind that a serious situation has existed and does exist in eastern Canada inasmuch as excessive profit has been taken from time to time with regard to feed grain. This is a situation which should be corrected, and I think it can be corrected. But I am doubtful whether the most direct or the most effective way of doing this is by means of the sweeping powers given to the board set up under the present bill. We are being asked now, in effect, to set up a cumbersome government bureau with full administrative powers over the eastern feed grain area.

During the war, when emergency powers were in being, it was possible to police all commodity prices, all wages, all salaries. This job was done by inspectors. Perhaps instead of setting up a cumbersome government bureau we could use the services of our present inspection staff in the Department of Agriculture. From time to time inspectors could call upon the distributors of feed grain in eastern Canada to ascertain the retail prices at which they were selling to farmers. This staff, on complaints by individuals or groups of individuals, could make inspections in order to determine whether an unjust profit was being derived.

There is no doubt in my mind that public opinion is the greatest police force we have when it comes to adjusting and correcting prices. We have seen evidence of this in the United States, where great corporations have increased their prices and later been forced to reduce them in the light of public opinion. We have seen the same thing happen in Canada. As a matter of fact, due to the activities of a group of irate housewives we have seen in the past few days how the prices of foodstuffs can be affected by direct action. So I imagine that such an agency as I propose would have the desired effect. It would be easier to administer, more direct in its effect and far less costly to the taxpayers of this country.

Again, one of our major problems in eastern Canada is the lack of adequate storage in places where storage is needed most. The present bill envisages the arrangement of suitable storage space in terminal elevators through arbitration and discussion so that feed grain can be moved in at an early date to take care of the normal requirements of feeders in eastern Canada.

In principle this is sound, but as far as Ontario is concerned it is unlikely to work by reason of the very nature of our harvesting program, which is carried out later than in the west. From time to time when we attempt to move our feed grain to the storage allocated in these terminal elevators we find there is no longer any room for it because the policy has always been to allocate space in terminal elevators on the first come first served basis. Thus we in the east find ourselves faced not only with an increased rate for storage but also with unjust demurrage rates on freight cars which are held up at terminals for weeks waiting to be unloaded.

How can the government provide storage? I think the desired results can be achieved in another way; by continuing the 25 per cent annual write-off on private or commercial storage. This would encourage grain companies to increase their storage facilities; it would also encourage private feeders and owners of small elevators to increase their storage capacity. It would be a golden opportunity for farm co-operatives to do the same so as to be in a position to buy feed grain at a reasonable price and have it on hand for distribution at a fair and even price throughout the feeding season.

That is what we need, a price which is fair and constant throughout the season so that feeders may be able to forecast their cost and decide in advance whether to increase or decrease their production. I say that if encouragement were given for the construction of private storage facilities, the problem of storage would be solved.

• (12:10 p.m.)

The 25 per cent write-off would be a minimal expense to the government, and since the government envisages allocating at least $10 million to this new board for administrative purposes, and provision is made for more if it be needed, certainly this $10 million plus cost is far in excess of any diminished returns that could be expected as a result of the 25 per cent write-off. I ask the

government to give every consideration to this possibility in solving the problem we are considering today.

My third recommendation, and it is not a new one, is that the government consider reassessing the entire freight rate subsidy program. This is a complicated program. It is an expensive one. It was introduced as a wartime expedient. At this late date it may be impossible to do away with it, and I am not advocating that it be discontinued, but I ask the government to examine the matter once more to see if two objectives can be achieved.

The first objective is that it be administered more equitably between zones so that borderline cases do not suffer undue hardships and tremendous price fluctuations. The second objective is that it should not work such hardship regionally as it presently does in the case of Ontario. We in Ontario are penalized in two ways because of this government policy. The assistance on freight rates on western grain coming into and through Ontario depresses the price of Ontario feed grains to the extent of the freight assistance that is paid by the government. This assistance makes the feeders in Ontario extremely happy because they obtain cheaper grain, but it makes the producers of feed grain unhappy because it cuts severely into their profit margin.

That is the first handicap. The second handicap is that it places Ontario feed grain producers in an almost impossible position when competing with western feed grain growers in the eastern market. In some instances the freight rate on Ontario feed grains shipped from Toronto to Truro, Nova Scotia, is six times greater than on western grains shipped from the lakehead to the same destination.

For these reasons I plead with the minister that if in the reassessment he finds it impossible to alter the present freight rate assistance paid on western feed grains coming into eastern Canada, then every effort should be made to place Ontario feed grain producers in the same category as western producers. We are certainly entitled to be in the same competitive position as our brothers in the west with respect to the production and sale of our feed grains. Certainly the quality of our grains is competitive, and on that same subject the producers of western feed grains need make no apology for the quality of the grains they produce and ship into eastern Canada.

[Mr. Danforth.]

I see no justifiable reason why the freight rate assistance should not be made applicable to Ontario feed grains so that we may take full advantage of our markets in the east. It would provide the eastern feeders with the cheaper grain they are requesting. A reduction of $20 a ton on Ontario feed grain, by the application of the western freight rates, would make a tremendous difference in the price eastern feeders pay for grain. A government assisted freight rate for Ontario grains would solve another problem. It would increase the use of Canadian grains in eastern Canada as opposed to the importation of United States grain into that entire area.

Having dealt with this matter and put forward suggestions which I feel could correct the problem, correct it faster and to the satisfaction of all areas concerned, and correct it at much less expense to the taxpayers, I wish to conclude by dealing with one other principle. On behalf of the producers of feed grain in eastern Canada I am concerned where the future power will lie with respect to the granting of licences for the importation of feed grains. If my information is correct that power now lies with the western wheat board.

Is it contemplated that it will retain control over the importation of foreign grains, or will this power be delegated to the new board, if it is ever constituted? Will the two agencies operate as separate entities? Will they be subjected to double scrutiny? This is something which fills me with many misgivings, because very often the price of feed grain in Canada is set by the Chicago grain market, plus or minus any duties involved. If the price is set by the Chicago market and it becomes impossible to import feed grain, we could face an abnormal price situation due to the fact that grain could not move freely between countries.

These are some of the facts which I wished to place on record. This is not the simple bill that many of us were led to believe it would be. It is a most complicated bill. It grants tremendous powers to a government bureau. If I felt the bill would solve the problem, solve it quickly, solve it completely, and was the best approach, I would give it my unqualified support. But, Mr. Speaker, although I believe the government has sincerely tried to meet this problem I am convinced its approach is a costly one, a cumbersome one, and damage could be done to the feed grain industry in eastern Canada before such a cumbersome board as is contemplated could take the necessary action.

I believe the direct approach of an inspection agency, with the write-off I have mentioned and an equitable adjustment of freight rates, would solve this major problem to the complete satisfaction of the feeders in eastern Canada, and eliminate the regional difficulty with which this bill does not cope. I still maintain that Ontario will find itself in an impossible position selling to a market that is under government control, and in direct competition with another government agency.

• (12:20 p.m.)

[*Translation*]

Mr. Florian Côté (Nicolet-Yamaska): Mr. Speaker, it gives me great pleasure to speak for the first time in the house and on a matter as important as Bill No. C-218 to set up a livestock feed board.

I say a matter as important as this bill deliberately because it is matters such as the ones we are discussing that prompted the electors of the riding of Nicolet-Yamaska to send here the man who is now speaking to you.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): For several years, within my professional organization, I worked to see such a policy, such a measure implemented, as well as various policies about which I spoke during my election campaign, with regard to dairy farming and unemployment insurance.

But, in my opinion, the matter under consideration was the most important because as a farmer, and consequently as a buyer of feed grain from the western provinces, I suffered from those injustices in the handling of grain.

I suffered from the competition from feed producers because I was a director of a cooperative and I had, under the principles agreed to when the cooperative was created, to help those who had put their trust in me and buy grain accepted by the inspectors. Besides, at the same time, the feed producers had the chance to buy grain which had been rejected on the one hand, and which through another channel came into the hands of those who could compete with us. In his speech yesterday, the hon. member for Mégantic (Mr. Langlois) dealt with a situation which can be applied to these grains—I followed his speech very closely and he was right to denounce the discrimination going on; I myself have been a victim of such discrimination.

The grain had been rejected because it did not fully comply with the provisions of the act; in other words, instead of an 11 per cent content in proteins, the grain contained non-nutritive elements. Their protein content had been reduced to 8 or 9 per cent. An independent dealer had the opportunity to buy such grain of a somewhat lower quality and to mix it with some other products containing protein and thus increase the protein content of the grain, since the act authorizes the feed producer to add from 14 to 16 per cent of protein. Such tamperings are not too honest for you are still left with a percentage or a volume of non-digestible matter which cannot be digested by the animal, so that the value of this animal, when transformed into meat or milk, is not such that the buyer has his money's worth.

Mr. Speaker, fears expressed since yesterday are perhaps not too well founded. I have read the bill and it contains exactly what my professional association, the UCC, has been asking the government for years, and it is toward that end that we, in eastern Canada, have been working for so long at UCC's general conventions. This is why, after having read the bill, I find it meets requirements of the farmers. Sometimes, they may be justified in voicing apprehensions such as those which the previous speaker has just expressed but if the hon. member reads the text closely, his fears will be dismissed since the board may buy in any province, in the West, in the East or in Ontario, it does not matter.

Every aspect of the problem has been dealt with and I believe no one in this house would be justified in objecting to the bill.

Mr. Speaker, I was very happy to learn that the bill was being introduced just as I was coming into the house. I have only been here for a few days and it is precisely for this reason that I have been sent here. It is for this reason that I was elected on September 19. Contrary to what certain people who worked against me in my constituency may have thought, it is on the strength of my platform that I was elected, and I consider it to be of prime importance. That is why, Mr. Speaker, I will support it 100 per cent and I congratulate the hon. minister for his contribution in formulating this policy which is designed to help farmers in eastern Canada achieve their objectives.

[*English*]

Mr. David MacDonald (Prince): Mr. Speaker, the fact that this bill, which finally

has come before the house for second reading, has not received a great deal of public comment or debate of late reminds us all, I think, that it has been a matter of public concern for such a long time that perhaps there were even some who were under the impression that either it would never come up or that the bill had in some way already been passed but simply had not gone into effect.

As we were reminded in the house last evening by the minister, the intent of this bill was first brought before the house by the previous administration, when the hon. member for Qu'Appelle (Mr. Hamilton) was minister of agriculture. It is very gratifying to see the present administration carrying on this good work and implementing the intent through this bill.

Needless to say, speaking as a maritimer, we have been under the greatest duress in obtaining feed grain over the past number of years due to the great fluctuations in price which have occurred. It is somewhat unnerving to be informed that recent events have taken place which lead one to wonder whether even with the implementation of this board we may be placing powers and placing our good faith in the government when we might not have the right to do so. I am referring to two things in particular which have occurred during the last month which have greatly affected maritime producers. One is with regard to the storage subsidy and the other is with regard to the drastic change in rates of freight assistance.

I am informed that about the first of September producers in the maritime region were notified that the storage subsidy which normally would go into effect on September 15 had been cancelled. In effect this could mean a loss of some $100,000 in Nova Scotia. Why such action should be taken when we are in the process of setting up new machinery to administer a very difficult and complicated area in our economic and productive life, I am not really sure.

The fact of the matter is that most of the producers already had committed their grain to storage, had counted on this subsidy, and then at the last moment it was withdrawn, the only explanation being that those economists whose wisdom seemed to be greater than that of the producers thought the subsidy had no effect in recent years; in fact they said it had not in any way decreased the cost of the feed to the producers themselves. I would argue rather, in a day and age of increasing costs, that the subsidy may in fact have enabled some of the feed costs to have held the line.

An even more serious occurrence took place a few days ago, when notification was received on or about September 30 that on October 1 there would be a drastic change in freight assistance rates which could mean a possible loss of from $200,000 to $250,000 in the maritime area. No one is as yet quite sure whether this will mean a great increase in the rates. Meetings of feed representatives are being held today in the maritimes, and there will be meetings next Wednesday of representatives of the federation of agriculture to study this situation.

• (12:30 p.m.)

I mention all this only to indicate that it seems a strange thing that now, when we are contemplating these drastic changes in the distribution and cost of feed grain in eastern Canada and British Columbia, we should be doing such massive tinkering with laws and controls which we hope within the next six months will be greatly changed in themselves. I can only hope, as many in the maritimes do, that no more serious changes will be made until there has been a prolonged and exhaustive study made under and by the new board in order that the right assistance can be provided.

I am strongly convinced that one of the reasons the whole feeding and livestock program in eastern Canada has been at a serious disadvantage is that there has been only one agency at work looking after the feed program. That is the Canadian Wheat Board, which is concerned much more with the exporting and handling of wheat from western producers. When I speak today I speak not just on behalf of my own area or the province of Prince Edward Island, which in fact is producing a great deal of its own feed grain, particularly in the matter of beef raising; I think the minister mentioned 80 per cent but I feel the present figure is a little closer to 75 per cent. I am speaking for every maritime area including New Brunswick, Nova Scotia and Newfoundland, most of which can only produce about 25 per cent to 40 per cent of their own feed grain.

These new policies are of great importance to agricultural producers in the Atlantic region, and they have been far too long in coming. There have been many resolutions initiated by a great number of farm organizations, and the word I have heard throughout

the maritimes is that this program must be implemented at the earliest practical time.

There are some fundamental questions that must be raised and there are some disquieting thoughts that come to mind in terms of the kind of policy that will eventually be spelled out in great detail and implemented by this new board. For instance, what are the dangers inherent in a program that may be produced by this board in directing or encouraging a program for vertical integration? What in fact is the size of the operation we are encouraging? Will the policy and program be directed toward encouraging the development of large combines, or is there some thought in the minds of those who have drafted this bill that this will be a great boon to those who are still convinced that the family farm has a role to play and a place in our country? These are things that will have to be spelled out. When will that be done? Will we just gather fragments and bits of information from this new board?

I hope that will not be the case, Mr. Speaker, but that the Minister of Agriculture, the Minister of Forestry, or the Minister of Finance or whoever is in essence the one who devises agricultural policy in terms of people—it is people that concern me—will be able to state at some early date some specific answers to these questions.

I am in agreement with the belief that in terms of many in the maritime region this will make operations that are now just barely viable, successful operations. If this is so, then many of these farming areas can be utilized to the fullest extent and many of the small farmers particularly can extend their herds and make full use of their farms, increasing their grass land.

I also agree with the hon. member for Kent (Ont.) who suggested that we are granting great powers to this board which will be composed of few people, three, four or five. I for one will be greatly interested to see what kind of people are appointed to these extremely important positions. There is perhaps a natural fear, because of past experience, that the kind of persons appointed will be the kind who can only examine cold statistics and who are intrigued by the economist and his slide rule, rather than by the practical experience and knowledge which exists now in various regions that make up this country.

Therefore what may be greatly important to us here in examining this bill will not only be the powers and composition of the board but the powers and the composition of the advisory committee, about which I will have more to say later. In this regard I am reminded very sadly of the many advisory committees that have been set up in similar circumstances which have turned out to be nothing more than rubber stamps, comprised of people who lose their local contacts three or four months after appointment.

That is not that kind of advisory committee I expect to see implemented or will press for when we come to the committee stage of our discussions. May I simply say, speaking as a maritimer and as a Prince Edward Islander, I feel in general terms that this bill offers great promise for the farm producers in our area.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, when workers have problems, they go to a labour leader; when we have problems with the mail, we automatically go to someone who was practically born in a post office. Similarly, when we have legal problems, we go to a man of law. We therefore wonder why, when it comes to as important a matter as feed, we must go to a minister who does not know the difference between barley and oats, or the difference between wheat flour and buckwheat flour. Why is it, also, that we must go to the rural representative who is the least interested of all interested parties? Why should this matter of feed be entrusted to the Minister of Forestry and Rural Development (Mr. Sauvé)?

• (12:40 p.m.)

In all sincerity, what has forestry got to do with grain, and how will grain be derived from forests? In any event, we are faced with a fait accompli, namely that this minister, a Montrealer, member for Iles-de-la-Madeleine, is the one responsible for it. And thus we have before us legislation providing assistance to livestock feeders in eastern Canada and British Columbia.

The least I can say is that it is high time that we should deal with this problem, because, as far as feed grain is concerned, we are faced with a major problem and, in my opinion, I believe that the situation is the same at both ends of the country. But as far as Quebec feeders are concerned, and particularly those in my district, livestock feeding is the No. 2 problem, being exceeded only by the problem of taxes of all types.

The ever-increasing taxes are collected by several public bodies that are known by most citizens. But, as for feed grain, the price of grain is a mystery even for the experts.

Clause 5 of the present bill provides the means proposed by the board to solve the problem:

Objects, powers and duties.

The objects of the Board are to ensure

(a) the availability of feed grain to meet the needs of livestock feeders;

(b) the availability of adequate storage space in Eastern Canada for feed grain to meet the needs of livestock feeders;

(c) reasonable stability in the price of feed grain in Eastern Canada and in British Columbia and

(d) fair equalization of feed grain prices in Eastern Canada and in British Columbia.

In clause 6:

The Board may, in furtherance of its objects, (a) make

(i) payments related to the cost of geed grain storage in Eastern Canada—

Mr. Speaker: Order. I must interrupt the hon. member who is now speaking to remind him that when considering this bill on second reading, he cannot refer in his statement to particular sections of the bill. I do not wish to restrict him too much, but in general, I know that he will take this suggestion in consideration.

Mr. Godin: Thank you, Mr. Speaker. At any rate, I was going to mention that the board will pay grants. May we hope that a grain trade in receipt of more remunerative grants will give better results? Will this announcement of grants not entail a price increase?

We are wondering about it, because following the generosity of the Quebec government in this connection, prices keep rising ostensibly due to a shortage. But it must be admitted that it was a well managed shortage since the customers were finally looked after.

In the last two years, for instance, the price of seed oats has increased by $1.50 per hundredweight following a provincial grant of 50 cents per hundredweight for that class of grain.

Last winter, we all learned about the assistance given to cattle breeders by the federal government, jointly with the Quebec government. Such assistance was granted in designated areas following crop failures due to excessive rain in some cases and to drought, in others.

However, only cattle feed was subsidized and all hog breeders and poultry farmers had to pay the general price increase of 10 to 15 per cent on grain from the week when the subsidies were granted.

[Mr. Godin.]

What part will the board play in such situations? Section 8 speaks of reasonable prices.

Will the minister tell us what he means by "reasonable" and how high the price of grain will have to go before it is considered unreasonable? Will there be price control in this field? Will there be a new method of rationing or a policy of first come first served, since section 16 is a financial clause?

I should like to quote a passage, Mr. Speaker, if I may be allowed to do so due to my lack of experience. Clause 16 reads:

(1) All expenditures under this act, including amounts required for

(a) payments related to the cost of feed grain transportation or the cost of feed grain storage made under paragraph (a) of section 6, and

(b) payment of salaries and other expenses including expenses of administration . . .
shall be paid out of moneys appropriated by Parliament therefor.

And subsection 4:

No payment out of the Consolidated Revenue Fund under subsection (2) shall exceed

(a) the amount by which ten million dollars exceeds the balance of the Canadian Livestock Feed Board Account, and

(b) any amount advanced under section 17.

What amount will the board be able to spend on this program? What scale will be used as a basis for deciding that a certain amount is adequate?

Will that amount be subject to credit restrictions, which have become current these days?

We can quote another statement, contained in the resolution introducing this bill, which reads as follows:

—and when authorized by the governor in council to enter into direct marketing operations in feed grain;

At this point, we ask ourselves: will some dealers be eliminated or will the new board serve as yet another middleman in already too long a list of intermediaries?

We note, as well, that the board will be authorized to made arrangements with a view to ensuring that livestock feeders have adequate feed supplies.

Will the board have men out on the road to find out what the requirements are?

Will the board provide for customers an information service like the one now provided by companies or responsible merchants?

Supposing that, for eastern Canada, the grain purchased before the close of the shipping season would represent only 25 per cent

of the expected consumption, would the board cover the risk of filling up the elevators of the areas concerned with, as sole guarantees, the consumption statistics of previous years?

Section 7 says that it shall be the duty of the board to make a continuing study of the requirements in eastern Canada and British Columbia. I hope that the word "study" here is only a word, because the time for study has been over long since and I suppose the minister will understand that now is the time for action.

In the same clause we read that the board will have to make recommendations to the minister and generally advise the government. I wonder whether the government will become very sensitive to recommendations made by its own employees it has chosen and whose names will be on the payroll?

If the government says it is ready to accept advice, how is it that the same government has always turned a deaf ear to representations made in that field by associations of grain and feed dealers, co-operatives and farm unions, as the Catholic Farmers Union?

All these questions make us believe that this board will play a very important and very delicate part. Everything will depend also on the powers given the board and the way these powers will be used.

I hope that all the farmers in the areas concerned with this new board will always receive the information to which they are entitled, and that the board will be really sure it is in a position to meet their needs and that we will have a truly improved policy, because the farmer has been the forgotten man for too long. During election period, Conservatives as well as Liberals have always taken pleasure in reminding him that he is the king of the farm. If he ever was king, we have proof that he has been dethroned for a long time, because as far as finance is concerned, his position proves that he is inferior to the majority of the workers in industry and he is far behind the majority of other professionals.

And in spite of his efforts, there is no way out for him as he finds himself caught between the price he is offered and the one he must accept for his products, and prices have gone up in the past 20 years, in some instances by 50 per cent in the case of grain and 100 per cent in the case of concentrates needed for livestock feeding.

For the last 15 years, the prices offered the farmer for eggs, chicken, turkey or other poultry have always been the same. The same thing can be said of meat such as beef, pork and other foodstuffs.

One must say he can hardly do something about it since he is dealing with perishable goods that he must deliver to the market as soon as they have reached the quality required by the consumer.

Such perishable products are none the less essential and farmers have proved that they know where their responsibilities lie.

I am convinced that it is precisely because they have fulfilled their duty too well that governments, regardless of who was in power, have ignored them.

The second reason why I think farmers are forgotten is because they have never honestly considered contributing to the election funds of the old line parties.

But the government realizes, I imagine, that it cannot rely indefinitely on the moral support of the farmers. The march on the Quebec Parliament organized by the farmers has proved that they can listen to electoral promises. But it has also proved that they can get together, between elections, to demand the passing of legislative amendments in their favour.

Therefore, we are anxious to see what this new board will do, and, if need be, we shall make further representations on behalf of this hardworking class which is not asking for charity but only for what is coming to them.

• (12:50 p.m.)

[*English*]

Mr. Speaker: The hon. member for Queens (Mr. MacLean).

Some hon. Members: Hear, hear.

Hon. J. A. MacLean (Queens): Mr. Speaker, I appreciate the applause from my associates on this side of the house.

An hon. Member: Hear, hear.

Mr. MacLean (Queens): And from the other side of the house as well in at least one case. In rising to take part in this debate I wish to say at the outset that I do not categorically oppose this legislation. I think it has the prospect of considerable merit. In any case, the situation is such that one can afford to be optimistic, because I think there is hardly any field in what one might call agricultural economics where there is more room for improvement than the feed grain program for eastern feeders.

Canadian Livestock Feed Board

I do not want to be repetitious but I think it is well to recall the circumstances under which this policy was first brought into being. I can do no better than quote the minister's own words on this matter when speaking in this debate:

> Freight assistance to feed grain and other grain products from the west to points of consumption in eastern Canada and in British Columbia was first started during the war, that is, in 1941.

Later he said:

> The program served a double purpose; to expand the feed grain markets for the benefit of western grain producers and to enable farmers in eastern Canada and British Columbia to increase their cattle production.

The measure was brought into being during the war under special circumstances. We are now in the peculiar situation where an emergency program which was introduced under abnormal conditions has been continued long after its prime purpose has disappeared. It has been continued because of the side effects which the original program produced and which were possibly of relatively minor importance. This has left us in the intervening years with a very imperfect feed grain policy, and therefore I should like to say a few words of caution to the minister. This is my chief reason for rising at this time.

Ever since the introduction of this policy the two groups whose welfare seems to have been in the forefront of everybody's mind—I might include in this not only this and previous governments but also the Canadian Federation of Agriculture—have been the western feed producer and the eastern feeder.

There is a third group about whom I am greatly concerned but whose welfare seems to be considered as incidental. Nevertheless this program has had a great impact on them. I am referring to the producers of feed grain in eastern Canada, and I am specfically referring to the maritime provinces. This is of prime importance in the area from which I come. I am in complete agreement with those who wish to ensure that the commercial feeders of chickens or beef or the producers of hogs in the maritimes have a steady, reasonably priced and guaranteed supply of feed grain. But I have a further interest, and it is one which affects individual families even more because there are more farm families producing grain in Prince Edward Island than there are farm families using western feed grain.

This policy which was brought into effect 25 years ago has had a number of side effects over the years, many of which I think were bad. This has placed the eastern producer of feed grain in a disadvantageous position. The reasons for this are rather subtle. They are small things, but in the aggregate they make it difficult for the producer to compete.

For example, back in the days when this program was introduced in the maritime provinces mechanization in agriculture had not progressed very far. In those days it was not possible for eastern farmers to produce feed grain in large quantities. Now there is at least that potential with full farm mechanization. If I remember my figures correctly, in 1944 there were something like 28,000 farm horses in Prince Edward Island, and by 1950 that number had dropped to 22,000. In 1960 it dropped further to 9,000 and a good share of these were either saddle horses, race horses or children's ponies. Now there are almost no horses used for the supply of farm power in the production of feed grain. Therefore the change in the type of farming in the maritimes has brought no corresponding change in a program which would make allowances for the increased potential in the production of feed grain in the maritime provinces.

In addition, there has been a lack of capital in the hands of potential maritime feed grain producers a chance to get high prices for risking any of the capital in their possession in the production of grain. The market has not been free in the sense of there being fluctuating prices which would give the local producers a chance to get high prices for their products in some years to make up for lower prices in other years.

In practice the situation has been that the costs to the feeder have fluctuated upward only when there was no local supply of grain. That was the only time the costs went up. The local producer therefore was in the situation of having nothing to sell when the price fluctuated upward. However, if the prices dropped down to the level of the subsidized price of imported feed grain he could not sell above that price, so that the importation of western feed grain to the Atlantic provinces tended to create a ceiling on the price the local producer could hope to obtain.

Another factor to be considered is that most or at least a great deal of the mixed feeds for the production of meat in the maritimes is supplied by local mills. Frequently they find it more convenient to have two or three carloads of western feed grain parked on their siding beside their mill rather than look in the local markets for relatively small lots of grain which would have to be bought

from individual producers and trucked to their mill. The result is that the local producer is always at a disadvantage. He is always suspected of wanting to sell grain which may have a higher moisture content and various other disadvantages in comparison with western feed grain, and he is never given the benefit of the doubt when he has superior grain to sell. All these factors taken together militate against the eastern producer being able to satisfactorily compete with the imported western feed grain.

What have been the effects of the feed grain policy on maritime agriculture over the years? I would not be so unfair as to ascribe the situation entirely to the policy which has been in effect. The facts of the matter are that although the world population is growing, and although many countries of the world are increasing their agricultural production, Canada is only doing so to a very limited degree.

• (1:00 p.m.)

In the ten years from 1953 to 1964, the average increase in the physical volume of agricultural production in Canada was at the rate of only 1.2 per cent per year. In the United States this increase was 1.8 per cent. The production of Prince Edward Island did not change. In New Brunswick the increase was only .7 of 1 per cent. The increase in Nova Scotia was 1.2 per cent. We like to think of ourselves as making great progress in agriculture in Canada. We like to think of ourselves as an advanced country agriculturally. Our effort in increasing the production of food over the last ten years compares very unfavourably with that of other countries, some of which we think of as being underdeveloped.

For example, in the same ten year period the average annual increase in agricultural production in Israel was 9.7 per cent. There is a whole, long list of countries ahead of Canada in so far as this increase is concerned. They are Mexico, Tanganyika, Yugoslavia, Venezuela, Brazil, Greece, Iran, the Argentine, Chile, Colombia, Pakistan, Tunisia, and then comes Canada. We are away down the list. In that rather sad picture the maritime provinces have been doing even worse than the rest of Canada.

In the five year period from 1956 to 1961, the latest year for which I have figures, the area of improved land in the maritimes declined from 2.3 million acres to 1.8 million acres. In other words, half a million acres of land went out of production in the maritime provinces during those five years. At the same time, in the three prairie provinces there was an increase of almost five million acres in the amount of improved land. I cite these figures to demonstrate the great potential in the maritime provinces, especially in Prince Edward Island, for an increase in production. The most obvious place in which this increase should occur, I think, is in the production of feed grain rather than importing so much from the west.

I am in full agreement with having a supply of western feed grain assured at reasonable prices. However, the west should not be looked upon as the source of all grain for eastern feeders. I believe that locally produced grain should be looked upon as the first source of supply and western grain as a subsidiary supply. We in the maritime provinces are in the ridiculous position of producing something like only half the meat we consume. There is a tremendous potential not only for bringing into production hundreds of thousands of acres in the maritime provinces which were once in production but also for increasing the production of those areas now in production.

I should like to quote briefly from a statement made by an official of the Acres Company, Mr. George E. Hunt. He said:

> Can the maritime region produce more grain? I have here a chart which shows the effect of limestone on our highly acid sandy soil and just two levels of fertilization on oat yields. These aren't textbook figures but agronomist's data from actual work in the maritimes.

It has been demonstrated that we can have a five-fold increase in the maritimes through the use of fertilizer and lime. If we had even a twofold increase in our grain production on the land that is now producing grain, plus the bringing into production of some of the thousands of acres of land that once formed prosperous farms in the maritime provinces and are now dismal stretches of abandoned land growing up in scrub, there would be a great benefit not only to the feeders and producers of meat in the maritime provinces but to the whole economy of the area.

In closing, there are some recommendations I should like to make to the minister. I recommend that when the advisory board is constituted it have adequate representation of eastern Canadian feed grain growers. I should like to think that a more satisfactory way could be found to give some encouragement to farmers in the Atlantic provinces who would like to produce more feed grain than the mere subsidization of the import of

feed grain. However, if even a small percentage of the large amount of money that is used for a rail subsidy could be transferred to the local grower of feed grain, that would have a very beneficial effect on the local economy and the user of feed grain in the Atlantic provinces who would have his problems met.

I should like to see even a little bit, say 10 per cent, of the subsidy that is now being applied to transfer feed grain from western Canada applied to a subsidy for the transportation of limestone and perhaps Saskatchewan potash to the Atlantic provinces. This would cost the taxpayers much less and it would have a greater beneficial effect on the local economy in eastern Canada. It would meet the problem of the eastern meat producer because he would still have his supply of feed grain. This would not militate to any degree worth speaking of against the prosperity of the western feed grain producer.

The world is now entering upon a period of tremendous increase in population and a corresponding increase in the demand for food. The population of the world last year was about 3.5 billion people. In 35 years it is going to be 7 billion people; that is the prediction, twice the population in only 35 years. It is estimated that food production can only keep up with the growth of population for perhaps 10 or 15 years, and then there is going to be a tremendous demand for food all over the world and therefore a demand for agricultural land and a demand for every means that can increase food production. In my opinion, Mr. Speaker, it is one of the saddest commentaries that there are thousands of once prosperous one-family farms in the maritime provinces which have gone out of production, are growing up in scrub and are going to be needed for the production of food within the next 20 years. It is going to be much more difficult to bring this land back into production a few years from now than it would be to keep it in production.

• (1:10 p.m.)

I should like to commend to the minister a publication of the geographical branch of the Department of Mines and Technical Surveys entitled: "Land Utilization In Prince Edward Island". If he peruses that he will see what I am talking about.

Finally, I would most sincerely ask the minister to give full consideration to the producers of feed grain in the Atlantic provinces and, moreover, consideration to the potential of producing more feed grain and solving some of the problems that the ARDA system is set up to solve in order to bring some of the vast areas of abandoned land, especially in Kings and Prince counties in Prince Edward Island, central New Brunswick and many other places, into production. In those areas we hope there will be farm people again living a good life and contributing to the economy of the area.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Just a few words Mr. Speaker. Being the representative of an essentially rural constituency such as that of Nicolet-Yamaska and others in this house, I believe it is my duty to join with those who rejoice at this new bill which is being passed.

It is interesting to note, Mr. Speaker, that among the promises we had made—I am referring particularly to the November 1965 election—we who ran in rural constituencies, had made very specific ones: the creation of a Canadian milk board, the adoption of the Crop Insurance Act, and the passing of the legislation presently before the house.

And I am convinced that I am simply confirming what the member for Nicolet-Yamaska (Mr. Côté) was saying a while ago. I am convinced that this constitutes an indisputable asset towards living up to the confidence which our constituents have placed in us, and I am ready to support the statements made by the member for Nicolet-Yamaska with regard to his victory. He is without a doubt entitled to any farming legislation which the Liberal government has brought about.

The Minister of Forestry and Rural Development (Mr. Sauvé), who was called upon to introduce this bill, whatever the hon. member for Portneuf (Mr. Godin) may have said, whatever may be his country of origin, whatever may be the constituency he represents, may not be too familiar with agriculture, but the responsible minister is unquestionably an able administrator, and he should be commended for his excellent work, considering the heavy task facing him, for we know that when he starts something he sees it through.

Mr. Speaker, the objects of this bill is to ensure the availability of feed grain to eastern Canada, to ensure adequate storage space and also to guarantee reasonable prices. These objectives fit in the present situation and are exactly what the eastern farmer has been asking for to meet his urgent needs.

Farmers have been requesting such legislations for a long time and today we are happy to say that their request has been granted. All the more so, Mr. Speaker, since recent surveys have shown—I am thinking here more particularly of the province of Quebec—that the production of beef, pork and lamb has declined compared to consumption.

No doubt about it, the passing of this bill will definitely help cattle, pork and lamb feeders and contribute in no small measure to increasing our farmers' productivity and also give the farm product its rightful place in our prosperous economy. Let us therefore welcome this legislation with enthusiasm because we can now go back to our own ridings and proudly say to our constituents that the pledge we had solemnly taken has been redeemed.

[*English*]

Hon. George Hees (Northumberland): Mr. Speaker, earlier in the debate the hon. member for Kent (Ont.) (Mr. Danforth) outlined the position which the Conservative party takes on this bill. I agree completely with the points he presented to the house. For this reason it will not be necessary for me to repeat the points which he so ably brought to our notice. But I wish to speak for a few minutes on behalf of the Ontario producer of feed grains who wishes to ship his product to the Atlantic provinces.

We in this party favour strongly the freight rate subsidy which is paid on feed grains produced in western Canada and shipped to eastern Canada, because it helps the western producer of feed grains to sell his product. The subsidy is also of great assistance to the eastern feeder in keeping his costs of production at a reasonable level, thereby making it possible for him to sell his product to the retail consumer at a reasonable price. This is something which is most important at this time of rapidly rising costs and prices in all parts of the country.

In all fairness, I believe that something must be done to assist the Ontario producer of feed grains selling to the Atlantic provinces in exactly the same way as we assist the producer of these same feed grains in western Canada in selling to the Atlantic region. We ask no more, but we demand no less. That, Mr. Speaker, is only fair play.

As the hon. member for Kent (Ont.) ably pointed out a few moments ago, there are instances where the shipper of feed grains, shipping from some point in Ontario to some point in the Atlantic provinces, pays a freight rate six times as great as that paid by the producer of these same grains in western Canada. We in Ontario want no more and no less than similar producers in western Canada receive. We think that the subsidy paid on the grains being shipped to the Atlantic provinces is completely fair. We have always spoken in favour of that subsidy and we always shall. But we want an equalization of freight charges on feed grains produced in Ontario and shipped to the Atlantic provinces. This will in no way hurt the producer of feed grains in western Canada. It will be of considerable assistance to maritime feeders because in this way they will get corn, which is becoming an increasingly important feed in all parts of the country today, at a lower rate than they are at present having to pay.

As you know, Mr. Speaker, there is no appreciable amount of corn grown in western Canada. Certainly, none is grown for export. All feed corn grown in western Canada is used for feeding in that region. If Ontario corn receives the same freight rate assistance that other feed grains from western Canada at the present time receive, feed grains that are being shipped to the Atlantic provinces, the maritime feeders will be provided with cheaper feeds for their cattle, which will be of great benefit to them.

• (1:20 p.m.)

It is interesting to note that today the annual increase in the production of feed grain in Ontario amounts to more than the entire production of this product only eight years ago. I therefore strongly urge the minister to recommend to his colleagues the equalization of freight rates on feed grain moving between western Canada and the Atlantic provinces as well as on feed grain produced in Ontario and shipped to the Atlantic provinces.

This is fair treatment for the Ontario feed grain producers. It in no way hurts western producers and it will be of material assistance to feeders in the Atlantic provinces because they will be able to buy Ontario grain more cheaply than they are doing so at the present time. In my opinion it will be of great benefit to all concerned while inflicting hardship on no one. I believe the recommendation I have made should be seriously considered by the government. I hope they will give it such consideration and bring in an amendment to this bill along those lines.

Canadian Livestock Feed Board

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to take part briefly in the discussion on Bill C-218, an act to provide assistance to livestock feeders in eastern Canada and British Columbia.

This is a subject which has exercised the minds of those interested in agriculture for a long time. Thinking back across the years I can remember some of the debates which took place in the House regarding feed grain assistance and freight rate assistance. The problems which were faced then by the various segments of agriculture both in eastern and western Canada have not changed very greatly. The matters which were raised then are still of vital importance today and some of the arguments and representations being made at the present time are similar to those made years ago.

In this connection I have been checking the various manuscripts and briefs we have received in the past with reference to the establishment of a feed grain agency. I have before me a brief presented by the Federation of Agriculture dealing in considerable detail with the proposal to set up a feed grain agency and making a number of recommendations as to how it should be established and what its duties and responsibilities should be. I also have here a brief presented by the National Farmers Union to the government of Canada in which that organization also lays stress upon the necessity and importance of an agency such as is contemplated in the bill before us. In addition, I have a copy of the report of the standing committee on agriculture and colonization relating to the price of feed grain. On page 6 of this document we find this recommendation:

> Your committee recommends the establishment of an agency, board or commission, hereinafter called "the agency", to be known as the Canadian Federal Grain Agency or by such other name as may be determined by parliament.

As I have indicated, there has for many years been a recognition of the need to see that prices both in eastern and western Canada should be fixed at reasonable rates and that feeders should be assured of adequate supplies of feed grain. When speaking on this subject some years ago I referred to the fact that in British Columbia feeders were required to pay almost four times the price at which feed grain was being moved in our sister province of Alberta. In Alberta, of course, grain can be moved from one farm to another without having to go through the Wheat Board and adhere to other regulations.

[Mr. Hees.]

The price in Alberta was about $20 a ton while in British Columbia it was approximately $70 a ton. I do not know what the present prices are.

An ironical aspect of the situation was that our people were forced to try to compete with products raised in Alberta and imported into British Columbia. This illustrates the impossible position in which growers in British Columbia were placed. So the whole question of feed grain prices was urgent then and is still a matter of urgency today.

The bill before us proposes to establish an agency to deal with such matters. I shall not go into the subject in detail today but I suggest that the task to be committed to this agency will not be an easy one to discharge. Sometimes we have taken the position that if and when an agency such as this is set up all our problems will be taken care of and it will be an easy matter to iron out the difficulties and remedy the inequities. But the proposed agency will not have an easy task before it. Too many difficulties are likely to arise in the administration of the program and in satisfying the legitimate interests of various regions. I agree with those who have suggested that in view of the wide powers to be conferred on this agency a tremendous responsibility rests upon its members to discharge their duties in a fair, equitable and satisfactory manner.

The duties are outlined in the bill. One of the most important aspects of this legislation is that a continuing study is to be made. With the passing of time circumstances may change. New problems may arise and some of the old ones may be solved. This subject will require continuing attention on the part of the agency so as to see to it that its responsibilities are discharged in a proper manner.

• (1:30 p.m.)

A great deal depends on the composition of the board, the persons who are to be appointed and their attitudes to the various problems. We also note the fact that an advisory committee is to be set up. In that connection I think I should refer to the suggestion made by the Canadian Federation of Agriculture because this is one aspect that must receive careful consideration. At page 13 of the brief presented by the federation on February 23, 1965, it is stated:

> Finally it is of the utmost importance that this agency which will be a state institution shall have advisory to it a committee composed of persons who are formally representative of organized farm groups in eastern Canada and British Columbia. Provision for effective consultation with and advice from producers is essential.

I have already referred to the fact that this is not going to be an easy task. Regional interests are involved. I have listened to the debate this morning with much interest because one of the factors has been the wide divergence of opinion that has arisen because of regional interests and concerns. These interests are legitimate. I am not saying they are not. While we in this group over the years have emphasized the absolute necessity of agricultural policies applicable right across the nation in comparable circumstances, we also recognize the fact that regions will be affected in different ways by the proposed agency and the application of particular policies.

For instance, there are regions within the prairie provinces which have different views on this matter simply because of the large geographical expanse of that whole area. This morning we heard hon. members speak of the difficulties of producers in Ontario, and just a few moments ago reference was made to the position of the maritime feed grain producers. There are even differences of opinion within the province of British Columbia due to the varied activities in that province embracing poultry, hog raising and beef production.

I mention these things just to point out that the setting up of the proposed board does not necessarily mean that everything will be automatically taken care of and that the problem will be easy to resolve. Its solution will require intensive and concentrated study. It will require a goodly measure of wisdom and discretion.

In general, while we give support to the concept of a feed grain agency we also join with those who have warned the government that because it is conferring such wide powers on this board it must see to it that the very best and most conscientious individuals are appointed to it and to the advisory committee. That is all I want to say at this stage, Mr. Speaker. I wish to give support to the principle involved and to warn the government that the problem merits great attention and consideration.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I am glad that this bill has been introduced in an attempt to solve one of the most difficult problems in Canada, the equalization of opportunity for those people who make their living from the land. I believe we shall get off on the wrong foot right from the start unless we take a close look at the long-term planning of the Department of Agriculture.

It does not take great discernment to detect that there are a great many people in this country, particularly amongst agricultural experts, who have written off the family farm. According to them everything has to be bigger, everything has to be more efficient, and I mean "efficient" in quotation marks. In my opinion there is no efficiency in driving people from the soil. I think, and I believe I always shall, that the basis not only of a happy agricultural industry but of a happy nation must rest on a large and happy population based on its own land.

I sound this tocsin to the government and to the new board, which no doubt will be set up once we have tailored this bill to meet the ideas of some hon. members, that all of our agricultural policies must be based on the stability of the family farm. If the setting up of the proposed board will mean nothing more than the juggling of regional interests —I do not care how efficient they are in juggling them—if it means regional development and that regional development involves bigger and more "efficient" farms, then it will not solve the problem. It will not help to stabilize the living of a family that gets its living from the soil.

This bill envisages a multitude of regulations, and these may be arbitrary. The board is to regulate freight rates, subsidies and quotas, and the bill even refers to the possibility of importing large amounts of feed grain. The bill also contains a number of definitions and refers to assistance for people who raise livestock. Does this mean livestock raised on the family farm or does it mean the wholesale fattening of cattle in stockyards? There is a vast difference between the two, and I would like to go on record as saying that when it comes to a question of government subsidies and government regulations I do not think this type of operation should be developed to the detriment of the family farm.

The primary need is to protect the small producer who has no lobby and no money for lobbying, instituting lawsuits and exerting pressures. He is the man that this whole institution of parliament is designed to protect. He is the little man who has no other voice than that of his representatives in this chamber. I would suggest that it may and probably will be necessary to set quotas on the amount of subsidy which any group or individual may receive from the government.

• (1:40 p.m.)

I do not think it is right for us to sit here and say that out of the taxpayers' purse or

out of the income of the small family farmers we should be subsidizing in any way these large or growing companies which are depriving the farmers of their legitimate birthright. As I think I said, the whole basis of this legislation should be to protect the interests of the small farmer who is very efficient in terms of humanity and in terms of the welfare of our nation in the real sense of the well-being and happiness involved in a healthy agricultural community.

There are, however, regional problems which I think should be looked at very carefully. In western Canada, particularly on the open prairies, the farmers depend very largely on one single product, wheat. The Canadian Wheat Board is faced with the problem of trying to stabilize agriculture in western Canada in the one product, wheat. But we have found in our experience that when we meddle with wheat it has a tremendous effect on all the other cereal products raised in Canada. If we sell the whole of our wheat crop abroad, it has a tremendous effect on the prices of grains in our own country.

When this new agency is set up I hope it will work very closely with the Canadian Wheat Board. I can only hope that great wisdom will be brought to bear by this agency on this problem and that the Canadian Wheat Board will not be anxious to denude Canada of cereal grains when these are very necessary for the production of livestock right here in our own country. I hope they will have the wisdom to see that such regulations as may be made with regard to cereal grains will not unduly antagonize the great republic to the south which has many of the same problems we have in respect of production, transportation, storage, and all the other difficulties with which this board will be faced. All these problems are shared by our great neighbour to the south. It may well be that with the best of intentions we may make regulations in this country regarding the feeding of livestock which will seriously affect the whole agricultural industry of this continent and perhaps of the whole world.

I hope also that this board will not be narrow and merely look at the distribution of feed grains. I hope they will take a statesmanlike world approach and try to tie in our policies with regard to the feeding of livestock in British Columbia, and particularly in Ontario and Quebec, with a world wide look at the whole situation in respect of livestock and good world relations. I hope they will put their whole weight and their whole planning behind such things as the world food bank and take a realistic approach to world prices of food, be they cereal grains or feed grains, so that in the long term we do not destroy our good relations not only with the United States but with the whole world merely because we want a quick profit for our feed grain in Canada.

I know they will have these things in their minds but it is going to take, as the last speaker said, a great deal of wisdom on the part of the government to appoint the proper people to sit on this board, people who will look at the problem not only as a great Canadian problem but who will also have the statesmanship to try honestly to settle it in the best interests of all and, more than that, who will be able to co-operate as world citizens and help to develop policies which will help not only Canada itself but also our world relations.

It is stated that the whole problem will be investigated and I hope that means this agency will have wide enough powers to investigate policies starting with the farm right up to world markets so that there will be an agricultural policy which is not merely regional. I think this is going to take some sacrifice on everybody's part. Western Canada is quite willing to raise the grain, but it must also be realized that there are people in Ontario, Quebec, the maritimes and British Columbia who also raise grain and that it would be wrong to concentrate merely on the selling of excess grain from western Canada at any kind of bargain prices in these other areas unless a very close look is taken at the necessity of equality in the places which are importing this grain.

I also see difficulty in the proposal to set up regulations to protect the storage of grain. How is this going to affect the farmer himself? If the small farmer has to compete with a feed lot and the government in any shape or form is paying for the storage, this is a subsidy. I think we should take a look at the idea that perhaps up to a certain quota the farmer should be given some protection or be paid for storing his own grain on his own farm. I do not know the answer to this problem, but in some way he has to be protected against these large groups, whatever the cost in dollars and cents, because in the long haul it will be in the best interest of Canada.

In my opinion any agricultural policy in Canada must be directed at the family farm. When farms are big enough that they are no

longer considered to be family farms, I for one am not worried about them. They are big business, and big business always has been able to look after itself. If you are feeding 10,000 head of cattle you can buy in carload lots and you can distribute your labour force much more efficiently. A policy which I think will keep us out of trouble is one which will make sure that we do not subsidize large interests without taking a look at the effect it will have on the small people who have settled on the land.

• (1:50 p.m.)

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I would like to say a few words also on behalf of the farmers in my riding and support wholeheartedly this government measure, this legislation which has been expected for a few years by those who are the basis of our economy.

Mr. Speaker, there is no doubt that the creation of that livestock feed board will help keep our farmers on the farms, particularly on economic farms.

At the present time, in my riding, most people are becoming industrial workers but we still have dynamic, hard working, conscientious and progressive farmers who, in the last few years, have done everything to improve their production. They have followed in general the advice given to them by competent people in the agricultural field to improve their land. They have invested money in fertilizers, lime, machinery and everything needed to get a better production, but you no doubt understand that during all that time they always had to bear with the markets which in general were not to their advantage.

The setting up of the livestock feed board will undoubtedly be a definite improvement but it will be mostly an encouragement for all farmers; it is truly positive action on the part of the present government to solve their problems.

What does that livestock feed board really mean? It is in fact an equalization formula directly aimed at farmers. Until now we have talked of equalization from one province to another to distribute more fairly the country's income and wealth but now we are approaching equalization with regard to a group of individuals who, as I said before, are the basis of our economy and who have been neglected for many years. Therefore, we must congratulate the government and particularly the Minister of Forestry and Rural Development (Mr. Sauvé) because we know that since he came to the house he never stopped fighting to improve the well-being of our eastern farmers and to increase their income.

That decision will surely have an influence on the prices of feed grain since steps will be taken to subsidize transportation, to buy stocks of feed grain and also to store them. But I feel that the most important thing in that legislation, Mr. Speaker, is the power given to the board to make the necessary studies to forecast the availability of feed grain in the areas designated in the act and also the power to investigate prices constantly. That will be to the benefit of the farming community and we can only congratulate the minister on the drafting of the bill.

We find the demands of agricultural organizations hard on the government, but we must understand that those people have good reason to be impatient; it is precisely through this and other present and future government measures that we will succeed in keeping our farmers relatively rich and in maintaining them as the basis of our economy.

[*English*]

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, in rising to make a few brief comments let me first of all state that I do not believe there is any one problem which personifies the diversity and competitive but conflicting nature of this industry in Canada than the so-called feed grain dilemma. I congratulate the minister for finally bringing forward this bill which has been awaited anxiously by farmers across Canada, particularly those in the east. In the area from which I come there is a very real and particular interest in this feed grain proposal.

The feed grain assistance program which has grown up since the last war and has continued on a transitional basis because of the lack of government policy, has not assisted in the growth of this industry in eastern Canada but has created uncertainties. Because of the loss of the traditional export markets in Britain many apple farmers in our area have turned to raising livestock and poultry. These industries have developed more rapidly.

I think the feature of the bill relating to the establishment of a co-ordinating and advisory board will meet with approval on all sides of the house. This is commendable because of the two-price system which exists in

the export and import of grain, and it is to be hoped that this advisory body will be able to create an atmosphere in which one price for feed grain in Canada will prevail.

We must always remember that on occasion subsidies are harmful to those areas they are intended to assist. So far as feed grain crops in Nova Scotia are concerned, there has been an increasing tendency on the part of farmers to rely on the importation of western feed grain. I think there is a controversial question involved in that suggestions have been made that Nova Scotia farmers are beginning to develop their own feed grain crops to meet their own needs. Feed grain crops there often yield from 60 to 70 bushels per acre compared with 17 to 20 bushels to the acre in the west.

We welcome the establishment of this board but we do not want it to discriminate by its policies against the continuing development of feed grain farming in Nova Scotia. The western wheat growers and livestock raisers have expressed the fear that increased feed growing in the east coupled with subsidies will affect their industries adversely. It is interesting to note that, during the period from 1941 to 1961, in spite of feed grain assistance the number of cattle raised in Nova Scotia decreased from over 200,000 to 160,000. In 1964 the number decreased again. So it can be seen that a tremendously thriving livestock industry has not been developed in this area. The number of cattle raised in Nova Scotia in 1961 was 100,000 less than in 1921. While I appreciate the fears of the western wheat growers and livestock producers, with their wide open spaces, there has not been developed in the east, certainly in the maritimes and particularly in Nova Scotia, a cattle industry which could in any way compete. We are still importing cattle and we can hardly even suggest that we are self-sufficient so far as dairy products are concerned.

Perhaps the implementation of this new government policy will provide some stability in the livestock industry so that there will be an increase in production in the east. Government assistance is helpful, of course, to other types of producers. In our area an increasingly important poultry industry, has been developing, but this too has been in a transitional period, particularly in the Annapolis Valley. Farmers have lost some traditional markets. A pork industry has also been developed and the number of turkeys being raised is on the increase. The assistance provided to these areas has had positive and productive results.

[Mr. Nowlan.]

Subsidies at times have an adverse effect because farmers may become inclined to rely on them. Some Nova Scotia farmers have without doubt relied too heavily in the past on this type of help. With the stimulus from the Nova Scotia department of agriculture and the different workshops, the Nova Scotia farmer now appreciates that he can himself produce good feed grain, and the adverse, negative effect of the policy may be reduced. But the over-all effect has undoubtedly been positive. Anyone driving through western Nova Scotia and the valley can see that farms that were somewhat down and out 10 or 15 years ago are, because of the transition to poultry and hog raising, now contributing very substantially to the growth and development of the province and this country in an agricultural sense.

• (2:00 p.m.)

I would hope that in the future the minister, or this board when constituted, would look into the problem of paying subsidies in a sense but perhaps developing a grants system whereby those people in Nova Scotia who want to grow feed grains and have properly drained and fertilized land could be given a grant which over three or four years would help to meet the capital outlay involved in obtaining equipment to dry their own feed. If this were done farmers who have suitable land could be self-sufficient feed grain producers. There are quite a few farmers in the area I come from who have properly drained and fertilized land and could produce feed grains sufficient for their own use and for sale in the Nova Scotian market. I believe the projections show that over 15 million bushels are expected to be required in the future, although at the moment we use only some 9 million bushels. Therefore there is a market and a need for this product.

In this connection the feed grain board could undoubtedly perform a useful function, but in order to encourage growth in this area and not rely completely on western feed grains there should be established a policy for the people who have not the land to continue to obtain feed grain imports, and for those who have the acreage to develop their own feed grains there should be a policy of encouragement which would be beneficial to eastern Canada and all segments of the country.

Apart from the question of having something more than a subsidy, which policy has a tendency to be negative, although overall in Nova Scotia there has been a definite positive effect, there should be an incentive for farmers to develop land that is fallow. There should be a sort of hybrid policy whereby the farmer could obtain a grant and invest in feed-drying kilns and equipment in order to process his own feed grain. This type of policy should be developed because the land is there and at the present time much of it could be developed in this way.

The question of storage facilities in the east is a very real problem. For instance, Saint John has not the proper facilities for loading grain and perhaps has not the positive qualities that are needed for a feed grain port. Neither Saint John nor Halifax has the storage facilities for feed grain which we in Nova Scotia need.

I would hope that the feed grain board would look at this problem in an advisory capacity and not concentrate solely on the buying and selling of feed grain. I would hope it would help in the development of storage facilities in the east, which are woefully inadequate at the moment for the ever-increasing market for feed grain. If the feed grain agency is only to buy and sell I think we have to watch, as previous speakers have mentioned, that it does not develop into just another agency that is concerned with costs and charges which are perhaps discriminatory in respect of local feed grain producers. There is room for improvement in this regard. A farmer can not buy directly from the Canadian Wheat Board, which has created many problems for him. Hopefully, the feed grain board will co-ordinate policy and eliminate some of the problems that exist at the present time. It is our hope that the board will be a watchdog over what happens from the time of the sale to the broker in Winnipeg to the time the feed grain ends up in the farmer's hands, because there is a very substantial difference in price between these two points.

However, Mr. Speaker, as a province which is concerned with feed grain more than any other Atlantic province we welcome the setting up of this board. We hope that the people appointed to the board will be truly representative of our area and will work to remove discrimination, keep costs down and co-ordinate policies rather than becoming involved in direct competition with the Canadian Wheat Board in the west. We do not want the anomaly of two boards in competition with one another.

In view of our past history and development we believe that the policy of paying subsidies should be directed more to providing grants to help the farmer develop his own feed grain resources. If we were also to develop our storage facilities in the east there would be a real improvement in our agricultural potential. I believe this is a matter the feed grain board should look into. In order that the debate may move on and the minister may close the debate on second reading, I do not intend to speak any longer. In general we in the east, and certainly those of us from the province of Nova Scotia, are in favour of the establishment of this feed grain board for which we have waited many, many years.

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I shall detain the house but briefly. The hon. member for Digby-Annapolis-Kings (Mr. Nowlan) has said that the establishment of this board is very encouraging to the farmers of Nova Scotia, and he certainly speaks accurately. There is no doubt that many of our farmers in particular lines of production simply could not have continued without the kind of assistance that has been afforded them over the last 25 or 26 years by the subsidy on the transportation of feed-stuffs. They are pleased to see that this subsidy is to be given a more permanent aspect by being put on a statutory basis.

I believe they are also pleased by the fact that the board will be given adequate powers to protect their interests as against anyone who might wish to intervene and make an unconscionable profit between the point where the grain leaves the producer in the western provinces and the point where it reaches the eastern feeder.

What I have to say, Mr. Speaker, goes beyond that question. The assistance that is provided is definitely of importance to agriculture as it now exists in our eastern provinces. Moreover, I think we would all agree that there is likely to be an increasing need for agricultural products as the population of this continent increases, and that it is a wise move to anticipate that demand for agricultural products.

Various speakers have mentioned some of the problems that the program, as it has been carried out has raised. For example, the hon. member for Northumberland (Mr. Hees) mentioned the general exclusion of Ontario grown

corn, and the hon. member for Digby-Annapolis-Kings mentioned that there may have been times when the assistance on western grown feed grains has acted to some extent to discourage the growing of feed grains in the Atlantic provinces. He proposed certain very interesting approaches to the solution of that problem.

• (2:10 p.m.)

I want to suggest to you, sir, that perhaps we should look further. I am wondering whether it would not be worth while to see if this money might not be more efficiently and perhaps more fairly expended by moving the point of assistance from the transportation link to that point at which the eastern producer brings his product, whether it be hogs, chickens or the like, to the market. If this were done he could find his feed wherever it is most economical to him, whether it be western feed grains, Ontario corn of his own produce. He could make that choice by his own lights and yet he would be encouraged and assisted in the production of the agricultural products that we need.

This would be a difficult approach to work out. I do not think there is any point in denying that the details would have to be examined meticulously, but I do want to suggest that it is an approach which, along with those mentioned by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), might well be explored to ensure that the Canadian taxpayer is getting full value for the money that is being put into this kind of assistance and also to ensure that eastern agriculture moves ahead to provide Canada, this continent, and even the world with that increasing supply of agricultural products for which there will be an increasing demand.

[*Translation*]

The Acting Speaker (Mr. Rinfret): Order. I must remind hon. members that if the minister speaks now, he will close the debate.

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, before closing the debate on second reading of Bill No. C-128, I am pleased to point out that all those who took part in the debate up to now have understood very well the complexity of the problem and have raised several interesting points.

I do not intend to reply at length to every suggestion made. At the committee stage, it will be possible to go over every question in detail. Suffice it to say that I generally agree with the members about the nature of the problem. Apart from certain partisan remarks made now and then, the debate actually dealt with the essential problem.

[*English*]

Yesterday a member of parliament—I think it was the hon. member for Medicine Hat (Mr. Olson)—spoke about the feed grain dilemma. It is a dilemma and has been one for many years, and until we have a national agricultural policy arrived at by agreement between the provinces and the federal government we will find ourselves in a difficult situation when we consider only one aspect of the problem, namely, the feed grain transportation subsidy to farmers in eastern Canada and in British Columbia.

Certainly the bill that we are now discussing has been in the minds of people for many years. As I said last night, in 1963, following the defeat of the then Conservative administration, there was a government notice of motion on routine proceedings and orders of the day in the name of the Minister of Agriculture proposing the creation of such an agency. A House of Commons committee then studied the problem and presented a report on March 22, 1965 proposing this legislation. The farm organizations of the country, as will be remembered by many hon. members, approved the principle of the legislation, and after first reading on June 30 the bill was widely distributed all across the country, so that everyone is familiar with its contents.

(*Translation*)

The fact remains, Mr. Speaker, that the establishment of this Canadian livestock feed board is a step forward in the development of a more rational agricultural policy for the country as a whole.

Nobody will dare claim that the passage or enactment of this bill will solve all problems. I believe we will a have a working instrument which will enable us, in the end, to make a more comprehensive study of several of the proposals advanced yesterday by hon. members.

Will there be any possibility of allowing Ontario corn growers and eastern feed growers to participate more efficiently in the program?

Must we promote a policy allowing eastern growers to grow their own grain? Must we try to change the feed transportation cost payment system, as suggested by two or three hon. members? All this remains a possibility. And I am pleased to note that members ask

themselves the same questions as the officers responsible for the administration of this act have asked themselves for the last three or four years. The reports prepared and the studies made raise the same type of problems that hon. members raised here, today and yesterday.

I am pleased to find also that we all have about the same line of thought. The principle of the bill has been endorsed by all hon. members, at least by all those who spoke; of course, there have been some genuine reservations here and there, and I hope I will have the pleasure of overcoming them when in committee.

• (2:20 p.m.)

On the whole, there is no disagreement between the position of the government and that of all parties of the opposition on that bill. However, I feel bound to lay emphasis on two or three interventions, not only on the principle or the subject matter of the bill, but two or three interventions on particular problems which we may not have the opportunity to discuss in committee.

Two or three members have mentioned recent announcements by the feed grain agency or administration about the abolition of assistance to storage program in eastern Canada. We have paid in the past three years, one million two hundred thousand dollars for storage costs during a certain part of the year in warehouses of eastern Canada.

We have realized after perusing statistics that the payment of storage costs did not have the anticipated effect, namely it did not help to reduce cost fluctuations during wintertime and stocks accumulated in warehouses during autumn and winter were not so much different than those of previous years.

In our opinion, the special policy of subsidies involving $1.2 million intended for the payment of storage announced by the government has not had the effect that was expected. And we do not see why we should continue to ask parliament to vote such a large amount without being able to determine clearly who benefited.

On the other hand, since March, the Canadian National Railways and the Canadian Pacific Railway are offering the brokers in the Atlantic provinces some arrangements for the transportation, over twelve months per annum, of such quantities of grain required by the farmers in three of the four maritime provinces. If we had maintained the payment of the storage costs in winter, we would have discriminated against railway transportation in favour of water transportation. And as the whole brokers in the maritime provinces have signed agreements with the railways, we are sure that winter storage will decrease, that the quantities of goods stored in Halifax, N.S., and Saint John, N.B., will diminish, and so that there is no more need to pay in winter the sum of $1.2 million.

There has also been a certain reduction in Nova Scotia, Prince Edward Island, New Brunswick, and Newfoundland, in the payment of transportation costs. This is due to the fact that allowances granted previously for transportation costs were greater than actual transportation costs. This problem is not new, but it has become more obvious since we allowed truck transportation, and since competition between railway and maritime transportation has increased.

I have here complete information on the new rates and, in all cases, do we not pay practically all of the transportation costs? That is, the new rates absorb what we consider as transportation costs, absorb the whole cost of transportation. Certain areas in the maritimes were granted two dollars, which is one dollar and fifty cents more than the actual transportation costs.

It is obvious that this will contribute to a higher price for feed grain, since we had been granting indirect subsidies to certain areas in the maritime provinces, until now.

Members will understand that we decided to apply the same standards in eastern Canada and British Columbia with great regret—

[*English*]

Mr. David MacDonald (Prince): Would the minister permit a question at this point, since he has responded to some of my comments and those of some other members on two important points? With regard to what the minister has said about overpayments, does he realize that his figures or those produced by his economists are somewhat in conflict with the figures produced by the farm organizations dealing with feed costs? I have been in communication with them this morning and they assure me there is a real conflict.

While I am on my feet may I ask the minister if he can tell us why such a recommendation for this change was made at this time rather than six months from now when, hopefully, the new board will be in operation and we can adopt a comprehensive policy in relation to these many problems?

Mr. Sauvé: The people who were interested in this problem were informed and, in fact, we met with them in Ottawa.

Mr. MacDonald (Prince): When was that?

Mr. Sauvé: It must have been about a month ago. There is a difference of opinion about what constitutes the cost of transportation. According to our definition, ever since 1941 the cost of transportation has only covered transportation by rail, by truck or by water, without any handling charges. Some people in the maritimes argue that we should also cover the handling charges at one end or the other because these are included in their own definition of the cost of transportation. I have no disagreement with this definition, but I say this is not the definition that has been accepted by the feed grain administration since 1941. We have paid only the cost of transportation without handling charges.

The second difference of opinion we have with some people in the maritimes is about the total transportation costs as related to the subsidies to specific provinces. Originally we had planned to reduce the payments on mill feeds but because the flour mill established somewhere around Halifax will not be completed before next summer we have not implemented that part of our proposal. This is specifically for Nova Scotia; it is special treatment for Nova Scotia. According to our own calculations and our own definition, the reduction in subsidy would be about $87,000 for the province of Nova Scotia. We agree that this is a reduction, but it complies with our definition and with the fact that we cannot favour one region as against another. Everybody is now at the same level in all the provinces of Canada which benefit from this subsidy.

Why have we done this now? We had been discussing with the maritime provinces for three years the problem of reducing the transportation subsidy. Every time there was an argument that this was not proper or that we should wait. We felt that before creating an agency we should make sure that the agency started with a clean bill and not have to implement policies based on inequalities in existence before the agency was created. We have based this on the fact that the agency will very probably revise the outlook on the transportation subsidy on western grain. If the agency wants to be free to re-examine the policy, it should be free of all the barriers that we find in terms of transportation costs which are higher than the real transportation costs. Politically it would have been much easier not to have moved in any direction. We felt that since the agency was being created it should have a free hand to do what it wanted, having received from us a situation in which there was no discrimination. These are the reasons for correcting these inequalities, which I think my friend will agree were inequalities.

Evidently, because we are not overpaying transportation costs, some farmers will be affected and their costs will go up because they were receiving an additional subsidy from us, contrary to the thinking behind this subsidy policy.

Mr. Danforth: May I make a request of the minister, Mr. Speaker? For the information of members, could the minister have appended to today's *Hansard* a list of the rates to which he has referred? I am sure it would be very useful.

Mr. Sauvé: If the house is in agreement, I will do so with pleasure.

• (2:30 p.m.)

The Acting Speaker (Mr. Rinfret): I take it it is agreed that this is to be added as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of document referred to above see appendix.*]

Mr. MacDonald (Prince): Mr. Speaker, may I put a further question to the minister. There is one thing I am not clear about. There has been considerable disagreement about the revising of these rates. It is said that they have been in effect since 1941, under these criteria. I submit that somewhere along the line the criteria must have been altered or else the program has been inadequately administered. I do not think that is what the minister meant to imply. Is the minister suggesting to the house that a new set of criteria has recently been established?

Mr. Sauvé: No, Mr. Speaker. There have always been the same criteria with respect to the transportation cost and with respect to feed grain administration. The transportation cost and the administration cost are not the same. The transportation cost has been defined by some of the maritime unions, co-operatives or farm producers. There is disagreement about the definition, but the policy has always been the same since 1941.

[*Translation*]

Mr. Speaker, to answer a definite point raised by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard), I should like to correct a mistake in his interpretation. I do not want to labour the point, but when the Association des meuniers de la province de Québec called a special meeting about ten days ago in Drummondville, it did so on its own and, as far as I know, no members or politicians were invited to the meeting, which was in no way partisan.

This, Mr. Speaker, I think ends more or less the general comments I wished to make before we begin to discuss in committee each clause of this bill.

I will avail myself of the discussion on each clause to answer more specifically any questions the members may have asked during the debate on the motion for second reading.

I should like to thank all the members of the house for the interest they have shown in this bill and for the useful comments they made during the debate.

[*English*]

Mr. McCleave: Mr. Speaker, before the minister sits down would he answer a question? I could have made a speech, but perhaps it is easier to obtain the information I want if I pose a question. There is some concern about the adequacy of storage facilities in parts of the maritimes. As an example I mention Halifax. Have the minister and his officials consulted the National Harbours Board in the case of Halifax, or other agencies with respect to those places outside Halifax, to see if there are enough facilities to make the act work in practice?

Mr. Sauvé: Yes, Mr. Speaker. We have regular meetings with the agencies concerned. This year, because of agreements between the railways, brokers and feeders, there will be less need for large storage space because feed will be carried from Fort William by rail. The pressure has been diminishing very substantially for this coming winter.

[*Translation*]

Mr. Speaker: Is it the pleasure of the house to pass the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

[*English*]

On clause 2—*Definitions.*

The Deputy Chairman: Shall clause 2 carry?

Mr. Danforth: Mr. Chairman, clause 2 of Bill No. C-218 deals with definitions. One definition of primary interest to farmers in the areas affected by this legislation is in paragraph (i) which reads:

"livestock feeder" means a person who raises livestock in eastern Canada or British Columbia;

There are differences of opinion so far as those engaged in agriculture are concerned about the term "livestock feeder". May I inquire of the minister at this time if his interpretation of that definition is that "livestock feeder" includes those commercial establishments or feed lots the sole purpose of which is to buy cattle in large quantities and feed them on a commercial basis, as opposed to those enterprises which primarily are and can be classified as farm enterprises?

Mr. Sauvé: The answer is yes, Mr. Chairman. The definition covers all groups of people.

Mr. MacLean (Queens): I have one brief question with regard to this clause. Subclause 2 of clause 2 reads:

Unless otherwise provided, words and expressions used in this Act have the same meaning as in the Canada Grain Act.

I presume that this means, among other things, that the crop year referred to later in the bill will be the same as the crop year in other legislation.

Mr. Sauvé: That is exactly correct.

Mr. Danforth: Mr. Chairman, paragraph (e) of subclause 1 states:

"designated area" means that area comprised of—

And a number of areas are given. I note that the Peace river district and another district are included. Does this mean that these particular areas are to receive the same treatment because the major part of their agriculture has to do with the production of feed grains as in the prairie provinces?

Mr. Sauvé: Exactly.

Clause agreed to.

On clause 3—*Board established.*

[*Translation*]

Mr. Ricard: Mr. Chairman, I should like to direct a few questions to the hon. minister.

Mr. Choquette: There will be some French Canadians—

Mr. Ricard: Mr. Chairman, I do not believe the hon. member for Lotbinière has come to the stage where he can read somebody else's thoughts; I think he has enough trouble reading his own written ideas without venturing as far as that.

• (2:40 p.m.)

Mr. Chairman, I simply wish to ask the minister whether he has already chosen the members of the livestock feed board and whether, in making that choice, he examined the good advice given by organizations representing the working class.

Mr. Sauvé: You mean the agricultural class. No, Mr. Chairman, nobody has been chosen; I have nobody in mind for the time being, but as soon as the act is proclaimed, I will start consulting with farming organizations, milling associations and everyone else concerned with the problem.

The house knows that we lost the services of the director of the feed grain administration, Mr. Lavigne, who went back to Quebec where he accepted an important position in the Quebec department of agriculture. He is a remarkable and extremely able official. But the provincial government's luck is the federal government's misfortune. He is largely responsible for the new spirit in the administration of feed grain. He is a very able farm economist, accepted by everyone and we will have great difficulty in replacing him in the federal administration.

Mr. Ricard: Mr. Chairman, as the minister showed his intention of taking advantage of good advice which might be given to him, would he assure the opposition that they will have the opportunity to submit names?

Mr. Sauvé: Mr. Chairman, if members have suggestions, I will accept them with pleasure.

[*English*]

Mr. Herridge: I should like to ask a question on Clause 3 because the board which is to be appointed will be an important one with exceptional responsibilities in the early days of the administration of this act. We do not expect the minister to be choosing people to serve on the board at this time, but could he tell the committee what kind of professional qualifications and experience he will be looking for when considering appointments? Can he give us an outline of the type of person he is looking for?

[Mr. Ricard.]

Mr. Sauvé: We would certainly look for a person who is familiar with farm problems and farm organizations. We would be looking for one who understands the trade problems and for one who understands agriculture economics. A minimum of three qualified persons would, I imagine, be essential for the administration of this law. I do not think that from the beginning there will be three full-time members. The chairman will perhaps be appointed full time and the others might become full-time members after first being appointed part-time.

Mr. McCleave: My question is similar to that asked by the hon. member for Kootenay West. I should like to find out where this board fits into the bureaucratic and hierarchical scheme of things in Ottawa. Where does it fit into the pecking order of government operations? What is the pay scale projected for the members of the feed board and how does it rank compared with that applied to other organizations such as the Board of Broadcast Governors?

Mr. Sauvé: I do not understand the question. Could the hon. member clarify it? Is he asking whether this is to be a government appointment or whether it would go through the Civil Service Commission?

Mr. McCleave: No. I was interested in the salary scales for the proposed full-time chairman and the other members of the board.

Mr. Sauvé: I have no idea.

Mr. Danforth: I wish to be painfully blunt because this is a question of major importance and because I am concerned about the way in which this administrative board will commence operating. I want to be absolutely sure that the members of this board will be chosen on the basis of their excellent knowledge of agricultural conditions, not because of political affiliation. This is something which concerns me just as it concerns the farmers. We should like to know whether these men will come from the civil service or whether straight government appointments will be made. It is my feeling that upon the selection of these men will depend the success or failure of the entire scheme. If the agricultural industry has no confidence in them, this measure cannot work. I should like some assurance from the minister as to the manner in which they will be selected.

Mr. Sauvé: I think the way in which the members of the Council on Rural Development were selected is a precedent for the attitude I take in appointing people to boards or to advisory committees. The main preoccupation is with competence, ability. I hope the hon. member does not feel there is no ability among people who support the Liberal party. This has nothing to do with partisanship. We try to get the best people we can.

Mr. Starr: From among the Liberals.

Mr. Sauvé: I am interested in seeing this board functioning as a result of the help of all interested organizations—farm groups, growers, millers, co-operative groups and so on. Generally speaking I will seek their advice. I am sure the names which will come forward through them or through members of this house will be those of people who have the ability to do the job and who also have the respect of the farming community.

Mr. Stewart: My question is related to the one raised by the hon. member for Kent (Ont.). I am not especially concerned about the matter of political affiliation because I think the minister has shown that he is able to detect ability regardless of political colouration. My point is this. The minister has mentioned the milling interests and the trade. He has told us that initially at least the board will not consist of three full-time members. I should like some assurance that the chairman, or those members of the board who are full time from the beginning, will not represent primarily the milling interests.

I say this not because I have any extraordinary hostility toward the milling interests or the trade. But the purpose of this legislation is to help feeders in eastern Canada and in British Columbia. I should like an assurance that the man selected initially on the full-time board will be one whose experience and training has made him fully aware of the problems and the interests of British Columbia and eastern feeders.

Mr. Sauvé: Yes, Mr. Chairman. Generally speaking I would be inclined to recommend to the government the appointment of people who represent the farm interests, not the interests of brokers and so on. I have not yet made up my mind as to what would be the best combination. I will await advice from the various groups I have mentioned and I hope the recommendations I shall make to the government will be acceptable by all interested parties.

It may surprise members of this committee that I have not been interested in this measure in terms of who should take these jobs but rather in terms of the principle and of the working arrangements. Once these are settled I shall, with the advice of others, try to find the best people for the job.

Hon. members will appreciate that the natural chairman of the board would have been Dr. Lavigne who was the administrator of the feed grain program until he left about two weeks ago to accept the position I mentioned in Quebec. So I was never preoccupied about who would be the members of this board, because he seemed to be the man who would naturally assume the biggest share of the responsibility and the team would have been built around him. Now that he has left we shall have to shop around for the best qualified people.

• (2:50 p.m.)

Mr. MacLean (Queens): If I understood the minister correctly, he said that at the beginning it was not anticipated that there would be three full-time members. That means there will be some who will be part-time. Does the minister have in mind members of the board who would have some interest in private business or in farm organizations, or does he have senior civil servants in mind as members of the board?

Mr. Sauvé: No, they would not be civil servants. They would be persons from the farm organizations.

[*Translation*]

Mr. Choquette: Mr. Chairman, a simple remark. I do not know whether the member for Saint-Hyacinthe-Bagot (Mr. Ricard) was too timorous, but I will take the risk to express a remark which I thought he would put forward. I would recommend to the minister the appointment of five instead of three members, for the good reason that, evidently, it is always very delicate to raise the language question, but it would be advisable to have French-speaking members on committees like that one.

[*English*]

Mr. Nowlan: Mr. Chairman, the linguistic question, of course, always causes sincere concern, but has any thought been given to geographical representation on the board? With respect to what was said by the hon. member for Queens (Mr. MacLean) about part-time members, it seems to me that in

dealing with such a complicated subject they are in the initial stages going to run smack into some of the problems which were discussed in this chamber yesterday and today. I think the hon. member for Lotbinière is right in saying that the five should be appointed on a full-time basis. However, I am more interested in geographical representation because this problem cuts across the whole fabric of our country.

Mr. Sauvé: Yes, we will take into account the geographical representation of members of the board. Hon. members should note that there is also an advisory committee, so that either directly on the board or on the advisory committee there will be enough seats for the appointment of a large number of people representing all regions.

Mr. MacDonald (Prince): I am still confused about the mechanics of this thing. The minister said that apart from one full-time member the others would be part-time. What did he mean by that?

Mr. Sauvé: Clause 3 provides for the appointment of not less than three nor more than five members of the board. Our intention was that initially we would appoint three members to the board but the chairman would be full-time. If the work then developed in a way that more than one full-time member was needed, we could appoint one or two other full-time members. Members would be part-time in the sense that they would not be working eight hours a day at the board headquarters. Only the chairman would be doing that.

After examination we may find we shall require three full-time members and possibly five full-time members who will give all their time to the work of the board, but we have been advised that for the time being one full-time member should be enough. I have given a straight answer to the question. I do not yet know how it is going to work in terms of personnel.

Mr. MacDonald (Prince): I do not want to get into a detailed examination of the mechanics, but the appointment of one full-time member and four part-time members gives me cause for concern, for two reasons. If part-time means a day a week or so many days in a month, in the case of many people who might have something to contribute they would have great distances to travel and this arrangement could militate against regional representation.

[Mr. Nowlan.]

Second, if four members are appointed on a part-time basis, completing the complement of five, it must be noticed that the next clause says members shall hold office during good behavior. I have not been long enough around here to know what good behavior means, but these persons' appointments could be for a long time. If the minister wanted to appoint two or three more members on a full-time basis and did not want to elevate part-time members to that position, how would he dispense with them?

I am also concerned about the kind of relationship that will exist between a full-time chairman in day to day contact with a very complex situation and part-time members. In such a situation I can see no difference between being a part-time member and being a member of the advisory committee.

Mr. Sauvé: I personally have no objection to having at least three full-time members appointed, and if this seems to be the wish of the committee I shall take it into account, but our intention was to proceed by experience and see how the thing developed and if there was need for other appointments. However, if this is the wish of the committee I have no hesitation in endorsing it.

Mr. Moore: Can the minister assure us that a representative of the western feed grain growers will be appointed so that their interests will not be overlooked?

Mr. Sauvé: I cannot give any assurance on who will be appointed because I have to consult the farm organizations and the various bodies which I mentioned previously. It also depends on the ability of the people proposed. It is impossible for me to say at this stage that we will take one from one organization, group or interest. Appointments will be decided on the basis of the ability and competence of people and their connection with the feed grain industry.

Mr. Moore: I was not referring to any organization but merely to the farmers who grow feed grain in the west.

Mr. Sauvé: There might be an opening for such an appointment on the advisory committee but I would doubt that this would be possible on the board itself.

[*Translation*]

Mr. Ricard: Mr. Chairman, I would like the minister to clear up something about the three or five members of the board. Does he intend to have at least five members at all times or to appoint only three?

Mr. Sauvé: I think that at first we will appoint three members and later if the work load warrants it, we will be authorized under the legislation to appoint two more. I have just committed myself before the house to appoint three members at the very beginning. I had thought that one might be enough but it seems that some hon. members feel that three are needed; personally I have no objection to appointing three right from the start. I think that we will begin with three and, if need be, we can always appoint another one.

Mr. Ricard: Mr. Chairman, in case there should be only one member, namely the chairman, appointed full time and the other members on a part time basis, would the minister tell us, unless he feels that it is not the right time, what salary will be paid to the members of the Canadian Livestock Feed Board?

Mr. Sauvé: Mr. Chairman, I have no idea what salary will be paid to them.

• (3:00 p.m.)

[*English*]

Clause agreed to.

On clause 4—*Tenure of office.*

Mr. Danforth: Mr. Chairman, I should like to inquire of the minister why the government felt it was necessary that these persons should be appointed during good behaviour. This is almost tantamount to a lifetime appointment. In a major piece of legislation like this, which deals with such a large segment of the agricultural industry, I feel that such an undertaking on the part of the government is perhaps unfortunate. Representatives of the industry are very much concerned about the demonstrated ability of such men and whether or not the regulations are effective in curing the particular problem with which this legislation is concerned.

I should like to ask the minister whether he would consider, as in the case of the committee, that members should be appointed for a definite term of years and that a member may be reappointed instead of being appointed in this way. I think there are many men holding appointments in which they have a tremendous amount of responsibility who are appointed for a definite period of years and not at pleasure. Would the minister explain why he feels this is necessary and tell us whether he would consider a definite term of office?

Mr. Sauvé: I am not sure, but I think the same formula is used in respect of the Canadian Wheat Board. I think there is some parallel between the appointments in respect of members of this board and the Canadian Wheat Board. I know that this formulation corresponds to the usual formulation for the majority of boards of this nature. We had no special reason for using this formulation rather than another. This was established in accordance with the establishment of other boards of the same nature.

Mr. Herridge: Mr. Chairman, I have read this clause three or four times to try to get the exact meaning. Is it correct to say that persons who are hired for a number of years actually enter into a contract with the government for that period of years, whereas this clause provides an opportunity for persons to be removed by the Governor in Council for just cause if unable to carry on, and so on? Is this not to the advantage of the government and more flexible?

Mr. Sauvé: It is certainly more flexible. I agree with that.

Mr. MacLean (Queens): Mr. Chairman, I should like to ask for some clarification. This might have been more appropriate on the previous clause but I think it has equal application to this one. In this clause it says that the vice chairman will act as chairman in the absence of the chairman. This brings to my mind the question of a quorum or, if you like, what number of members of the board is required for the board to transact business. I have read the bill through and have found no reference to this. Would it be possible to have a situation where if only a permanent chairman is appointed he could act as the board all by himself? What is the minimum number of members of the board which is required? I notice that in the case of the advisory committee they have the power themselves to determine what their quorum shall be, but I see nothing in this bill to cover this particular point.

Mr. Sauvé: I do not have the answer. I will look at the bill and try to find out.

Mr. MacLean (Queens): I am sure I can assume that if the minister finds there is a technical deficiency in the bill he will undertake to correct it before we get out of committee.

Mr. Reid: Mr. Chairman, you will find that in clause 13. It states that a majority of the members constitutes a quorum of the board.

[*Translation*]

Mr. Ricard: I should like to ask the minister why the age of 70 years is provided for in clause 4. There seems to be some contradiction, because in industry generally, and even in the civil service, there is a tendency to set the retirement age at 65 years. It seems to me, therefore, that for this particular board, it would have been logical to try at least to follow the same policy being tentatively applied in other spheres of society. I feel, therefore, that to mention the fact to the minister is to secure his co-operation so that the retirement age will be lowered from 70 to 65 years, in accordance with the general trend at this time.

Mr. Sauvé: I think it is a compromise between the retirement age established within the public service and the retirement age set for judges appointed by the government. Public servants must retire at 65 and judges at 75 years of age.

I believe there is no other reason for suggesting 70 years as a retirement age.

Mr. Mongrain: I suppose the member for Saint-Hyacinthe-Bagot (Mr. Ricard) would not apply that principle to the leadership of political parties.

Mr. Ricard: No, Mr. Chairman, because the member for Trois-Rivières would come to maturity too fast.

[*English*]

Mr. Moore: Mr. Chairman, I should like a little more assurance from the minister that the passage of this bill will not put western feeders of livestock in a more unfavourable position compared with eastern livestock feeders. I am all in favour of aiding our eastern friends, but I still have not heard this assurance. This is the reason I brought up the subject of representation from the feed growing areas in the west. Would the minister give us that assurance?

Mr. Sauvé: I told the hon. member that on the advisory committee we probably could appoint somebody who would represent the feed areas of the west.

[*Translation*]

Mr. Clermont: Mr. Chairman, the minister just gave the assurance more or less that there would be a member from western Canada on the advisory committee. Could he also speak to his colleague and make sure that we will have a member representing eastern Canada on the Canadian Wheat Board?

Mr. Sauvé: I will convey that remark to my colleague.

[*English*]

Clause agreed to.

On clause 5—*Objects.*

Mr. Reid: Mr. Chairman, clause 5, outlining the powers and duties, makes mention of the abilitity of the board to operate in eastern Canada. Yet in clause 2(f) I notice that eastern Canada is defined as all that part of Canada lying east of the meridian passing through the eastern boundary of the city of Port Arthur, and it is also provided that the board will operate in Manitoba. This has the effect of bypassing my constituency of Kenora-Rainy River.

Mr. Danforth: You are a westerner.

Mr. Reid: Yes, but unfortunately for us the operation of the board stops at the city of Port Arthur. The Canadian Wheat Board stops at the boundary of Manitoba and there is a no man's land there of around 500 miles which is a rather substantial farming area. I should like to see this area included either under the eastern board or the western board. It does not matter to us, but it would be more convenient for us to be under the western board because in an agricultural sense we are attached to Manitoba. I think we should either be included in the eastern section or that the western board should take over.

• (3:10 p.m.)

Mr. Sauvé: If the riding of the hon. gentleman is still in Ontario it is covered by clause 2, paragraph (f) which says:

> "Eastern Canada" means all that part of Canada lying east of the meridian passing through the eastern boundary of the city of Port Arthur and such other areas in Ontario as the governor in council may designate;

Mr. Reid: In that event, will the minister guarantee that this part of Ontario will be brought under the board?

Mr. Sauvé: That all depends on whether or not you decide to form another province.

Mr. MacLean (Queens): Mr. Chairman, having regard to clause 5 and the objects of the board as they are listed, it seems to me

there is a deficiency in that the board is not required to take any cognizance of the effect of its policies on the growing of feed grain in eastern Canada. At least, I draw that conclusion in reading this clause.

So long as feeders have a guarantee that feed grain will be available, that there is sufficient storage space to meet their needs and that there is a reasonable stability of price in eastern Canada and in British Columbia, with a fair equalization of price in both places, then the responsibilities of the board are satisfied. I can visualize a situation, however, where in that limited sense the board might be functioning efficiently but causing a detrimental effect to agriculture in eastern Canada. Perhaps this clause should be amended or the minister should at least give his assurance that the board will understand that it is to meet these obligations in a way which will not be detrimental to the economic welfare of eastern agriculture in its entirety.

Mr. Sauvé: I think this is clearly implied by the wording of clause 5. The hon. member will notice that we do not qualify the origin of the feed grain. I think the objection he has mentioned, the problem he raised earlier on second reading and the problem raised by the hon. member for Kent (Ont.) are generally answered by clause 5 dealing with the objects of the board. Certainly that was the clear understanding and intention we had when this legislation was being drafted.

Mr. MacLean (Queens): I thank the minister for that assurance. I mention these facts because to the average Canadian feed grain means western feed grain. The impression has certainly been in the minds of feeders in eastern Canada that western Canada is the only real source of supply. That is not the case.

[*Translation*]

Mr. Laprise: Mr. Chairman, I would like to ask the minister whether we can expect consultations between the livestock feed board and the authorities of the eastern provinces and British Columbia as well as representatives of producers in order to establish the needs of each area concerning feed grain?

Mr. Sauvé: Mr. Chairman, it is the normal responsibility of a feed grain board to cooperate with all concerned to make sure that there will always be enough grain to feed livestock, as defined in the bill.

[*English*]

Mr. Keays: Mr. Chairman, I am sure the minister agrees that agriculture in the lower St. Lawrence area will become more successful as a result of the studies carried out by the Eastern Quebec Planning Board. In view of that, and in view of the fact that the climate there does present some drastic difficulties to the agricultural industry, can the minister tell us whether there have been any determinations made as to the location of storage facilities? He did say some time ago that agreements were being made at this time to transport feed grain by rail. Does he not think that in respect of some of these areas it would be possible to create a lower price if the grain were shipped by water? Does the government intend to acquire land for storage facilities?

Mr. Sauvé: It is the function of the board to decide what is best under the conditions the hon. member has mentioned. The bill provides for the acquisition of land and for the building of storage facilities, but generally speaking I think we must accept the fact that the building of storage facilities at various locations throughout the countryside would add to the cost of feed grain to the farmer. Negotiations are being conducted now between the millers and the railroad companies which might solve at least in part the storage problems referred to earlier. In any case, the board will have the authority to acquire land and will make decisions in respect of problems such as the hon. member has raised. It will be for the board to examine local and regional situations as they develop.

Mr. Schreyer: In carrying out its obligations and duties under clause 5 of the bill, will the board be able to purchase feed grain directly from western points or from the Wheat Board? Is it conceivable that the board could engage in direct purchase or acquisition of feed grain—I do not think the minister has elaborated on this point—or is it intended that the board will function by dealing with brokers and distributors in the trade? Perhaps it will operate by doing both.

Mr. Sauvé: If and when the board decides to engage in the buying and selling of grain it will act as a broker and will buy grain on the Winnipeg grain exchange. It can do so only by special order in council which would authorize the board to operate in this way during the remaining part of a season.

Mr. Olson: Mr. Chairman, perhaps clause 5 relates as much to the powers of the board as to its objects. I think the situation regarding large commercial users of feed grain and integrated operators in eastern Canada is a matter of concern not only to the government but to western producers of livestock. If the object of the board is to assist the filial farms, if I may call them that, or the small producers who depend on the production of livestock for their living that is one thing, but if by setting up these regulations, subsidies and so on the majority of the benefits will go to integrated operations to the detriment of the local livestock producer in Canada I believe that the board will have defeated its own purpose and will do a disservice to Canada rather than a service.

• (3:20 p.m.)

Therefore I wonder whether the minister would consider the institution of a system of quotas for the purchase of feed grain that is subsidized. I am not suggesting that such a system be included in the statute we are now setting up but perhaps it could be included in the regulations. There is certainly plenty of precedent for quotas in the operation of a public board of this nature. Everyone in Canada who is familiar with grain buying and selling knows very well that in the operations of the Canadian Wheat Board very severe quota restrictions are set up so that the total market is evenly distributed among all producers. At the beginning of each season, regardless of the size of the farm, whether it is 100 acres or 5,000 acres, a certain number of units are authorized for delivery. At the present time I believe the quota is something like 400 bushels of wheat or 100 units, each unit being worth 4 bushels and 6 bushels of barley or whatever the product happens to be. This system does in fact distribute the benefits of this public corporation.

I have no objection to integrated, commercial users of feed grain or anyone else setting up business in eastern Canada if they think they can produce economically for a market, but I think it would be unfair if they were to make large profits because under laws passed by this parliament they received subsidies which were intended to help the small producers. After all, Mr. Chairman, it is pretty elementary to realize that we are not making the best use of our manpower and other facilities if we are shipping cattle from western Canada to the east and paying freight on the live animals, on the feed and so on. The cost involved in this operation is higher than is the case when the cattle are raised and the feed grain is grown in the same area.

I have no objection to some form of subsidy or assistance being paid to the smaller, bona fide livestock producer. However, I would hope that we will not find ourselves facing a real problem, namely, that of large commercial users deriving the greatest benefit from the payment of this subsidy. If this were to be the case, there would be very serious objection from the beef producers of western Canada by reason of their having to compete with a subsidized operation in another part of Canada, particularly when that subsidized operation is not part of the regular farming community.

I say to the minister also that this is not simply a philosophical or academic problem. It is happening. There are large beef producers in western Canada at the present time who have acquired feed lots far enough east so they may buy subsidized feed. Instead of feeding their cattle in western Canada, where it is most economically done, they are taking the cattle that would ordinarily be fed there and shipping them to the feed lots in eastern Canada because they can buy subsidized grain. Because of the proximity to the large markets of Montreal and Toronto it is more profitable for them to do this. The reason it is more profitable is that the public treasury is subsidizing them.

While I do not think this practice is widespread at the moment, I can see that if we do increase subsidies for the purpose of assisting smaller farmers it will become a widespread practice and will defeat the whole purpose of the bill in that this type of competition will be encouraged. Therefore, Mr. Chairman, I would ask the minister whether he is giving consideration to the distribution of a quota book or permit book such as is used under the Canadian Wheat Board, whereby a farmer can buy so many tons of subsidized feed, or will some other method be instituted to ensure that the aim of assisting the smaller livestock producers in eastern Canada will in fact be achieved?

Mr. Sauvé: Mr. Chairman, we are as much concerned about this problem as the hon. member for Medicine Hat. We are concerned about very large feeders using public funds for their benefit. Certainly through the regulations of the board it will be possible to cope with these problems either by establishing quotas or restricting the application of policy in a different way as between the large

feeder and the family farmer. I am very preoccupied by the fact that some large operators have been deriving the majority of their profit from the subsidization of transportation costs under the formula that exists at the present time.

I an sure the board will consider this problem and come to the same conclusion as the hon. member, because I have also been concerned with this situation. This problem has been discussed with the administration of the feed grain assistance program, and we feel that when the board is established it will be able to cope with it effectively.

Mr. Olson: Mr. Chairman, the minister has said that he is cognizant of this problem and is looking for ways and means of solving it. He also said he is confident that the board will find ways and means of coping with the situation and will perhaps institute a system of quotas or some other method of dealing with the problem. Would the minister care to tell the committee what other methods the government has in mind for solving the problem, after the discussions that have taken place to date?

Mr. Sauvé: Mr. Chairman, I cannot elaborate very much more on this point. I have been exploring this problem with the feed grain board administration. I would not want to say any more in this connection because until I have more precise information I can hardly state my views on the method that will be used.

Mr. Schreyer: Mr. Chairman, in reply to the hon. member for Medicine Hat the minister said it would be possible under this bill and the regulations to come to grips with the problem which has been outlined. But that is rather different from saying that it is the intention or inclination of the government to come to grips with it. I should like to support with all the emphasis I can muster the comments made by the hon. member for Medicine Hat. This legislation can be of considerable benefit to the bona fide small farm operators of eastern Canada and British Columbia. But unless the government is prepared to implement some kind of quota system under this legislation or, as an alternative, unless it is prepared to give a more precise definition of the term "livestock feeder" so as to exclude in whole or in part the factory-type feed lot operation, the legislation will lose its benefit in so far as the small, bona fide farmer is concerned.

In my opinion it would be unfortunate in the extreme if the legislation were to be adopted and applied in such a way that it allowed the factory-type operation or the vertically integrated type of operation to benefit to the same or a greater degree, because of large volume, as the people this legislation is really intended to benefit most, namely, the small, family-type farming operation. Could the minister be more precise and say that it is not just a case of the government possibly doing something in this respect but that it is their intention to do it?

• (3:30 p.m.)

Mr. Sauvé: It is my intention to examine this situation in the light of the preoccupation of the hon. member for Springfield and the hon. member for Medicine Hat. How we will determine the kind of policy that will be most effective I cannot say at the moment because we have not yet come to any decision on the system that will be used. But I am preoccupied with the problem presented by the large, integrated operator who derives practically all his profit from the subsidy received on the shipment of feed grain. I am, just as you are, trying to find out how we can cope with this for the benefit of the small operator or the farm family operator.

[*Translation*]

Mr. Clermont: Mr. Chairman, one of the objects of the board is to guarantee the availability of feed grain to meet the needs of livestock breeders and the minister announced recently that the assistance to storage would be discontinued. A few minutes ago, he told us that most millers of the Atlantic provinces had entered into agreements with the railways. I wonder whether the board will be in a poistion to undertake its work in January or February 1967 and whether the Quebec farmers can be assured that feed grain will be available in eastern Canada or in the province of Quebec during the winter of 1967?

Mr. Sauvé: Yes, Mr. Chairman, I have every reason to believe that there will be a sufficient quantity of grain to meet the needs of the province of Quebec during the fall and winter period.

Mr. Ricard: In the event that there should be a lack of feed grain at a particular time, can the minister give us an assurance that those who have to buy feed grain regularly will not be taken unfair advantage of? It is very nice to hear the minister say: "Yes, we

will do this", but has the minister any specific measures in mind and action to be taken to force speculators who, at all times, want to take advantage of some scarcity to increase prices to farmers, and consequently to consumers?

Each year, in the past, there have been fluctuations in the grain supply, and invariably, it has always been the farmer who has had to suffer. Therefore, I make a particular recommendation to the minister that he give immediate consideration to the adoption of the necessary measures ensuring that farmers will not find themselves at the losing end once again in this matter.

I would also like to take the opportunity to ask the minister to give particular attention to the recommendations which were made a few moments ago by the members for Springfield and Medicine Hat (Messrs. Schreyer and Olson). It is unfortunate that in the past so little attention was given to the family farm. Without a family farm, particularly in eastern Canada, it would be very doubtful that we would be in a position to keep the farming industry operating on a sound basis. Therefore, it is high time for us to see that the large industrialized farming concerns are not the ones who will benefit the most from our feed grain legislation. Special arrangements must be made to ensure that the small family farm is protected at all times. The need is pressing and the minister must give the matter his whole attention. As I said a while ago, I fully agree with the statements made by the hon. members for Springfield and Medicine Hat (Messrs. Schreyer and Olson).

Mr. Sauvé: Mr. Chairman, the problem of feed supplies is obviously a major problem. I trust the establishment of a Canadian Livestock Feed Board will enable us to meet the situation should there be, by chance, a considerable decrease in supplies next winter, specially in the province of Quebec.

Nothing at the present time leads me to believe that there will be a shortage of feed grain in the province of Quebec in the coming months.

Mr. Mongrain: Mr. Chairman, I have read the clauses of that bill, especially clause 5 which deals with the powers given to the Canadian livestock feed board and there is one thing I would like to call to the attention of the minister and ask him to elucidate because there does not seem to be a clear answer in the bill.

[Mr. Ricard.]

The commissioners who will be appointed, the members of the Board, if they are men of vision, will want to provide for the prosperous and the lean years that can be expected. The story of the fat years and the lean years in the Bible has been repeating itself since the beginning of time. So the members will probably concern themselves for instance with experiments made by research boards, public or private, to improve the land and possibly reclaim land which is not very suitable for that kind of farming.

To illustrate clearly what I have in mind, I will give the minister one example. For instance, a company recently discovered that if it is possible to raise poor quality farm land because it lacks enough humidity and to spread under it a layer of asphalt, 3 or 4 feet deep, to retain the humidity, the production, the yield of the acreage can be changed completely. That is an experiment which could be useful and interesting to prevent lean years, if need be. There are others also.

I would like to ask the minister if that board will be empowered to apply on a large scale the results of positive studies or will the board simply have to consult the Department of Agriculture to do such things? Or will the board be able to obtain from the government the authorization to conduct an experiment on a larger scale after the initial research has given positive results?

Again, to prevent lean years, will it be the responsibility of the board to ensure that feed is available to meet the needs of livestock feeders, and not only for the current year? I imagine that it will want to provide for the coming years also.

Mr. Sauvé: Mr. Chairman, to the extent that the board must make sure that feed grain is available to meet the needs of livestock feeders, so the board can certainly favour any action of the kind mentioned by the hon. member for Trois-Rivières (Mr. Mongrain). He has already told me about it and I find it very interesting.

[*English*]

Mr. Moore: Thank you, Mr. Chairman. Not only do I share the concern of the hon. members for Medicine Hat and Springfield but I do not feel we should be asked to vote on a bill without any real or concrete assurance that the problems they mentioned will be dealt with.

I have a further concern and that is about the relative positions in which this bill will place the eastern and western feed growers.

It must be remembered that the western feed growers are far from markets and this naturally places them in a relatively poor position. Has the minister looked into this problem of what difference this bill might make to the relative positions of the eastern and western livestock feeders?

Mr. Sauvé: Inasmuch as the actual policy is to pay the transportation cost of the feed grain from Port Arthur and Fort William eastward or through British Columbia, the position of the western feeder will not be affected as long as the same policy applies. The problem that you raised is a much larger problem than the one posed by the creation of this feed grain agency. It is a problem of national agricultural policy which I mentioned earlier, but which is not the objective of this special bill on the creation of the feed grain agency.

Mr. McCleave: Mr. Chairman, I would like to ask the minister two questions. In the first place I should like to ask him whether I am correct in my understanding that the operation of this act is intended to apply only to the movement of feed grain by rail transportation to eastern Canada, or whether the act in its operation will also cover the movement of such grain by water? For example, I am thinking of movements from Fort William and Port Arthur into the ports of Halifax, Saint John, Quebec city and for that matter Montreal.

Mr. Sauvé: It is not restricted to one means of transportation. All means of transportation are open and they all come under the authority of the board.

Mr. McCleave: I thank the minister for that assurance.

My other question, Mr. Chairman, relates to distribution centres. Have the distribution centres for the different areas been already chosen or is this to be decided upon by the board upon its establishment?

• (3:40 p.m.)

Mr. Sauvé: No decision has been taken on this, Mr. Chairman.

Mr. Thomas (Middlesex West): I should like to support the contentions and arguments put forward this morning by the hon. member for Kent (Ont.), to the effect that the producer of grain in southwestern Ontario should have his interests adequately protected. Ever since the feed grain freight subsidy was established back in the war years, the producers of grain in southwestern Ontario, which is an area of very substantial feed grain production, have been operating under a serious handicap.

The feed grain subsidy on grain imported into that area, which competes with the locally grown product, amounts to about $5 per ton and this, in turn, amounts to about a quarter of a cent per pound. Now, a bushel of wheat weighs about 60 pounds, so the decrease in price which the farmers in the area can expect on their feed wheat is about 15 cents per bushel. A bushel of corn weighs 56 pounds, so there will be a reduction in price of 14 cents there. A bushel of oats would be reduced in price by 8.5 cents and a bushel of barley by 14 cents. There is no surplus of oats or barley produced in that area, but there is a substantial surplus of corn and of wheat produced in that area.

Now, I should like to point out to our western colleagues that at least some of the cost of operating the wheat board is carried by the government. The wheat produced in Ontario is a special commodity in that it is soft wheat and not much used for bread purposes but is used in the production of pastry flour. However, only about one third of the wheat produced in Ontario can be used for this purpose and approximately two thirds of the production of Ontario wheat has to go into the feed market. Over the years, this surplus wheat produced in Ontario has had to compete with feed wheat shipped down from the west under approximately free freight. The wheat producers in southwestern Ontario have this 15 cents a bushel handicap.

There is a great deal of corn produced in the area and corn is in direct competition in the feed markets with barley. Therefore every bushel of corn produced in that area also suffers under a handicap of 14 cents per bushel. There has been no great complaint about this handicap on corn and wheat over the years because much of it is fed in the area. However there is a substantial surplus of corn and wheat which must be marketed.

The Wheat Board of Ontario which markets this soft wheat deducts 15 cents per bushel on every bushel of wheat grown in the area which the board markets. The cost of marketing this surplus wheat is paid by the wheat producers themselves. There have been requests made through our standing committee on agriculture for some provision for carrying this surplus corn and wheat further east in Ontario and further east in Canada where it is marketed for feed purposes. I

should like to ask the minister, and to have his assurance, if it is intended under this new feed grain board to protect the interests of the producers of feed grain in southwestern Ontario? Have any provisions been made whereby the interests of these producers can be protected?

Mr. Sauvé: The answer is affirmative, Mr. Chairman.

Mr. Thomas (Middlesex West): The minister has replied in the affirmative. May I ask him now how it is proposed to put these producers of feed grain in southwestern Ontario in a more equitable position with the producers of feed grain on the prairies?

Mr. Sauvé: It will be the responsibility of the board to devise methods which will comply with your request.

[*Translation*]

Mr. Matte: Mr. Chairman, paragraph (c) of section 5 concerns reasonable stability of prices. On what will this stability be based? Will it vary according to seasons, crops or the cost of living?

Mr. Sauvé: Mr. Chairman, stability will of course be dependent upon purchase prices quoted on the Winnipeg stockmarket or upon the cost of feed grain produced in eastern Canada. Market fluctuations will have some bearing on stability. It is not so much a question of the board establishing what prices will be, but of trying to prevent too much fluctuation in prices from one month to the other.

It is a known fact that, in the past, as soon as the navigation season closed, feed grain prices have fluctuated enormously, and it will be the responsibility of the board to try and prevent such fluctuations by taking suitable steps. But I do not think it will be its responsibility to determine either purchase or selling prices.

[*English*]

Clause agreed to.

On clause 6—*Powers.*

Mr. Danforth: Mr. Chairman, clauses 6, 7 and 8 deal with the tremendous powers that are going to be vested in this board. I am wondering if the government has had adequate consultation with the provincial governments with regard to some of these powers, which seem to overlap powers given to provincial marketing boards? These powers deal with responsibilities in both jurisdictions. They deal with the administration of products that could conceivably be under both jurisdictions. I should like to go through this clause rather slowly, because I should like to ask the minister to make explanations, owing to the very important principles involved. I would request at this time an adequate explanation of the feeling that the government has, and the interpretation that the government makes, with respect to the various parts of this clause under discussion.

• (3:50 p.m.)

For example, as the hon. member for Middlesex West pointed out, we are most concerned about the equality of rail transportation with respect to Ontario feed grains. Under clause 6 (a) (ii) we have:

> —payments related to the cost of feed grain transportation, to or for the benefit of livestock feeders—

But then there is this inclusion:

> —in accordance with the regulations.

I am interested in this, in view of the minister's answer that it would be within the purview of the board to look into and study the feasibility of the equalization that we, in Ontario, are determined to have.

May I ask the minister if, in his considered opinion, the board will have the power to make such equalization, or is it considered that the board will only study this problem, and make such recommendations as it may see fit to the government, with the government then, after giving the matter consideration, making its decision in this regard? If this is the course of action to be followed, a matter like this could take months, or years. We are very much concerned that something be done in the immediate future, because such action would immediately lower the price of feed grain to eastern farmers, particularly where Ontario feed grains are concerned. This is one of the principles I should like to draw attention to. Similar thinking applies to the rest of the bill.

Mr. Sauvé: Mr. Chairman, I have said repeatedly that the board will have the same authority to deal with the problems of corn and grain producers in Ontario as it has with those in other provinces. The interpretation we have given to this act deals with these problems. As hon. members are aware, for almost two years there have been meetings between the Ontario Federation of Agriculture and the feed board administration with respect to ways and means of subsidizing the

transportation cost of corn—and particularly of Ontario corn. Because of technical difficulties any solution has not yet been implemented.

The administrative body concerned, before this bill was introduced, had intended to solve the problem of the inequalities with respect to grain transported from Port Arthur to local feeders in eastern provinces. Transportation costs have been paid on grain from the west to the maritimes, but not on grain produced in Ontario.

I am hopeful that we will be able to cope with this problem, and come up with a solution that will satisfy the hon. gentleman who has spoken, and the hon. member who was just mentioned. I am aware of the difficulties. The problem is a serious one not only for Ontario corn growers, but also for many of the maritime growers.

Mr. Danforth: Mr. Chairman, may I go further. Am I to understand from the minister's statement that the government in effect is turning over to the board in question the power of forming government policy, to the extent that under clause 6(a) subparagraphs (i) and (ii) this board shall determine (A) whether or not payment of cost to storage in eastern Canada shall be made, and to what extent, and (B) whether or not payment of the subsidy on grains moving out of Ontario may be made, and to what extent such payments may be made? Will this board have the authority to initiate such authority, and will it be able to demand a fee and make payments?

Mr. Sauvé: This is possible, according to this measure. The hon. member must have noticed that it is mentioned in the bill that there has to be concert in order to implement the recommendations of the board.

Mr. Danforth: I realize this.

Mr. Sauvé: It is possible. What the hon. member mentioned is possible.

Mr. Olson: Following the discussion that has taken place under clause 6 (a), with respect to where the board will be authorized, in furtherance of its objectives, to make payments relating to the cost of feed grain storage in eastern Canada, and also payments relating to the cost of feed grain transportation, may I ask the minister if there is any intention on the part of the government, and particularly on the part of the minister, to increase these payments. I think something like $1 million a year was paid for storage during the past two seasons. Is it the intention to increase these payments, and will the increase depend on the port the grain is shipped to? In other words, are there any increases with respect to one or other of the two areas contemplated at the moment?

Mr. Sauvé: No, Mr. Chairman.

Mr. Schreyer: At the risk of imposing on the minister's patience may I ask him to clarify further clause 6 (a)? When the board is given authority to make payments related to the cost of storage, and the cost of transportation, is it intended that these payments will be completely recoverable, or only in part recoverable? Will there be a subsidy, or what will be the situation? Because if it is intended to give the board power to make such payments that will be recoverable only in part, from the selling price, it would amount to the granting of the power to subsidize. I do not think that that is intended.

Mr. Sauvé: We are talking about two different kinds of operation. The policy now is that we are paying for storage and transportation costs. If the agency has to buy and sell, it will have to recover all its expenses. It cannot, under the bill, sell at a lower price than it pays. There is no danger of the situation the hon. member mentioned arising.

Mr. Schreyer: Am I to understand from that, Mr. Chairman, that the powers of the board are such that any subsidy, or any difference in such costs, would be authorized by the government? Otherwise it seems to me that the board is under the strict requirement to recover the full price of the grain, when it sells it.

Mr. Sauvé: This is so.

Mr. Herridge: Mr. Chairman, I want to ask the minister a question with respect to paragraph (d), which reads:

> The Board may, in furtherance of its objects, . . .
> (d) conduct negotiations for the obtaining of licences for the importation of feed grain into Canada for use outside the designated area and, within the provisions of any such licence obtained in its name, contract with feed grain dealers in Canada for the importation of feed grain by them into Canada under the terms of such licence.

Mr. Chairman, anyone reading that will realize that it is an involved clause. I should like the minister, if he will, to explain the mechanics relating to the operation of this clause, because I have read it several times

and I find it quite difficult to understand what is intended. I would appreciate some explanation from the minister.

Mr. Sauvé: Up until this moment, the Canadian Wheat Board has granted licences for the importation of wheat into Canada. It is not inconceivable that the Canadian Wheat Board may want to deprive itself of such powers, relegating them to some other agency of the government. The clause is worded this way because we do not know what the Wheat Board will do. Until now the Canadian Wheat Board has had authority to import grain into Canada.

• (4:00 p.m.)

Mr. Herridge: That means negotiations would, in this case, be carried out with the Wheat Board?

Mr. Sauvé: Yes.

Mr. Thomas (Middlesex West): I should like to ask the minister whether it is the intention of the government to seek amendments to the Canada Grain Act or to the Canadian Wheat Board Act so that this power can be transferred to the proposed federal grain agency.

Mr. Sauvé: The only thing I can say is this: The information I have is that the Canadian Wheat Board would have no objection to depriving themselves of this authority to control imports to eastern Canada.

Mr. Danforth: This brings up an interesting point. Is it not conceivable that in order to obtain the cheapest possible price for feed grain in eastern Ontario the agency might request a licence to import grain offered for sale by a foreign country such as the United States. At the same time a supply might be available through the Canadian Wheat Board at a higher price.

This is why I pointed out this morning that it is of great importance to know where power will be vested in granting importation permits, and what the government's thinking is in this regard. It has a direct bearing on market prices in Chicago and on the availability of feed grain in eastern Canada. How does the government propose to handle this extremely delicate matter?

Mr. Sauvé: It is the Canadian Wheat Board which has the authority to grant these import licences. What will happen I do not know, but we have had an indication that there will be no objection to delegating it in this instance for this particular purpose. Evidently

[Mr. Herridge.]

it should not be possible for one government body to have power to deprive another government body of the opportunity of achieving its aims. We cannot think of any policy which would be followed by one organization contrary to the interest of another under the same government.

Mr. Danforth: I do not wish to labour this point, but has the minister not now drawn attention to the very situation I had in mind? The exercise by the Wheat Board of its power to control imports might be detrimental to the objects of this new agency, which could find itself unable to import grain at a much cheaper price than the price it would have to pay for grain grown in Canada.

Mr. Sauvé: The hon. member should bear in mind that the agency will not normally engage in buying and selling operations. If it were to do so it would do so as a broker and would have to buy through the Winnipeg Grain Exchange, which comes under the Canadian Wheat Board which, in turn, controls all grain imports into Canada. The same circumstances arise with respect to corn. Corn enters Canada uncontrolled, because there is a tariff. It is the same situation.

Mr. Danforth: I can appreciate the minister's approach to this question. He has told us the agency would be dealing with the Winnipeg Grain Exchange. Is it not also a fact that under the terms of this bill a purchasing agency could be designated to buy local supplies of home grown feed grain or to import foreign feed grain without using the services of the Winnipeg Grain Exchange in any way?

Mr. Sauvé: I do not think this has any bearing on the broader problem. In so far as the Canadian Wheat Board decides it no longer wishes to control the import of grain into Canada, it has nothing to do with the larger problem at all.

The brokers who normally deal in this field will act as they normally do. We have nothing to do with that. The problem does not arise with the agency, but with the Wheat Board. It is the Wheat Board which will decide whether or not it wishes to give up this power over the import of grain. We have nothing to do wtih that, so the situation will not be affected at all by the existence of the feed grain agency. This is clearly stated in later clauses.

There is really no problem in terms of conflict between the two bodies. The federal grain agency does not buy from the Wheat

Board. When it does, it goes on the marketplace as a broker. There is no source of difficulty with respect to the matter the hon. member raised because it is the Wheat Board which will decide whether they wish to give up their power, or not, or whether they will allow imports to come in or not. The agency will not be buying and selling.

Mr. Schreyer: I rise to support paragraph (d). We have heard suggestions that the Wheat Board should divest itself of its power to control the international movement of grain. If this were to happen I believe it would be most unfortunate. In my opinion anything which would fragmentize the control exercised by the board over this kind of grain movement would be unfortunate. I do not know who is asking for it—whether there is any pressure on the government, or on the Wheat Board to divest itself of this power; but I for one certainly hope it will not happen.

Mr. Olson: I wish to raise one question concerning subclause (c) which reads—

> Allocate space reserved for its use in any storage facility among persons requiring feed grain storage facilities in Eastern Canada.

At present, of course, it is the Board of Grain Commissioners who have full authority to allocate space in all the terminal elevators, at least those along the seaway, and perhaps in other elevators or storage places in eastern Canada. I am wondering if this allocation of space will be an authority directly invested in this board over some of that same storage, or whether there will be an allocation of space in so far as the kind of grain and where it came from are concerned, after the Board of Grain Commissioners have designated the space for the export of wheat and for other grains. Will they have the authority directly to order designation of space in some of these terminal elevators?

• (4:10 p.m.)

Mr. Sauvé: Once the Board of Grain Commissioners have determined in a certain year that so much space should be reserved for feed grain for local consumption, then inside this our board could allocate space for various needs, taking into account pressures, prices and so on.

Mr. Nowlan: My question follows the one asked by the hon. member for Queens earlier, who inquired about an incentive or stimulant for local production so that there may be no discrimination under this bill against people who produce their own feed grain. Clause 6 says that payments by the board will only be made for storage and transportation. Is there any clause in the bill to help stimulate the growth of feed grains in eastern Canada and British Columbia? If more feed grains could be produced by the provision of drainage and fertilizer, then the problem which this bill is supposed to meet would be solved.

This business of continuing subsidies can be a drain, can have a negative effect. Over a period of three years, depending on the size of the unit, a producer could pay for his own draining and drying equipment. I cite the case of a grain drying unit costing $16,000 which could handle 1,600 tons of grain. That grain is subsidized at approximately $12 a ton, and the subsidy on 500 tons would cost the government $6,000 a year. Thus over a period of three years, out of the subsidy the farmer could pay outright for his draining and drying facilities and thus need not be a charge to the Canadian taxpayers forever and a day.

Mr. Sauvé: In answer to similar questions, I have already explained that the problem of the production of corn and grain in Ontario and the maritime provinces was under consideration. There is provision in clause 6(a) (i) and (ii) to assist with this.

Mr. Nowlan: The only reason I ask is that it specifically sets out payments for storage and transportation, and adds "in accordance with the regulations." Why could we not set this out specifically in a subclause?

Mr. Sauvé: It is because of the origin of the subsidy. It was originally a transportation subsidy, so that the amount of money parliament grants for it has to be related to transportation now. There are methods that can be used to relate transportation costs to locally produced grain and corn, but the principle has to be the transportation costs.

Mr. Nowlan: Transportation could be from your feed grain plot to your drying and cleaning mill, right on your own farm.

Mr. Sauvé: I have answered some previous questions about this. Studies are now being conducted into the matter. I am as occupied as is the hon. member with the problem of the local producers of corn and grain, and we are about to come to grips with it.

Mr. Danforth: The minister has been patient with me, but I hope he will bear further

with me because I have some major questions to ask about clause 6(g) dealing with the authority of the board to require any persons engaged in any segment of the grain business to furnish information on request dealing with the workings of their business, the costs they pay, their selling price and profit, and the charges for the various services they render.

My uneasiness arises because this bill in effect incorporates most or all of the powers that are normally found in provincial marketing schemes. It deals with the power to buy, sell, store and transport grain, and it requires individual segments of the industry on request, "by order served personally or by registered mail" to open all phases of their business transactions for inspection. This is found in provincial schemes as well, and is not strange; but this bill gives power to the board whereby it can designate individuals or companies to act on its behalf as its agent or agents.

In other words, under this provision the board could designate an agent in Ontario who in effect would purchase all the feed grain necessary to meet the lack of supply in eastern Canada, and on the other hand can designate a single agent or agency to sell all that is needed to the trade in eastern Canada. I view these powers with a great deal of uneasiness because we have seen the havoc wrought by such powers given to marketing schemes in Ontario, where they worked to the disadvantage rather than advantage of certain segments of agriculture. But there is a tremendous difference between this and a provincial marketing scheme. In a provincial marketing scheme the particular segment or commodity group involved has the prerogative to request or reject participation in such a scheme.

• (4:20 p.m.)

Here, Mr. Chairman, the significant difference is that if this bill passes, all commodity groups dealing with grain, and all segments of the trade, will have the regulations foisted upon them by the will of parliament without having the opportunity to show by a vote whether or not they feel this is desirable at this time. I am well aware that such agencies as the Canadian Federation of Agriculture and the Canadian Farm Union, and other segments of the industry across Canada, are very desirous to see legislation passed which will accomplish the ends pointed out in the principle of this bill. I fear however that the trade, when reading the different regulations and realizing the extreme power vested in this board, will be very unhappy over the absolute dictatorship which is possible; it perhaps is not premeditated and perhaps is not contemplated, but I say that under the wording in this bill and under the powers vested in the board such actions are possible and feasible.

I should like the minister to give to me and to the house his interpretation of just exactly the way in which he feels this board will administer. Will it be possible for them to designate an agency to sell; can they confine it to an individual company, a group of companies, or a co-operative; are they in a position to designate to this degree? If not, can the minister point out to me a clause or provision which hinders the board taking such action?—because this could drastically disrupt the entire grain trade. This is one part I am very much concerned about. I would hope the minister would deal with this at length.

Mr. Sauvé: This is just to enable us to act as a broker if need be, and after having been authorized so to do by order in council. But when we act as broker we act as the normal trade acts. We do not sell directly to anybody. We are just one of the brokers among a number of large brokers, and the grain acquired is distributed through the normal channels of the trade. We do not go further than that. There is no provision, other than the authorization we have to act as a broker. If I understand your fear correctly it is that we might, in place of the people who are in the trade, act directly as salesmen to the individual farmer. This is not provided in this bill.

Mr. Danforth: Mr. Chairman, if I may pursue this further, the minister's interpretation is as he set it out in his initial speech. My point, however, is that although this is the intent of the minister, under the provisions of the bill as it is constituted this board does have the absolute power to designate an agency to act on its behalf and to designate an agency to buy or sell. The minister speaks of a broker on the Winnipeg Grain Exchange. I can understand that particular segment of the transaction; but I would hope the minister contemplates that if there should be a scarcity of supplies in the east this board will consider purchasing grain from Ontario or from Quebec as the case may be. Certainly this grain is not offered for sale on the Winnipeg Grain Exchange. There may be in the maritimes pockets of excess grain that

the board may wish to acquire and move. This cannot be done by a broker on the Winnipeg exchange; but it can be done under the bill, if the board designates an agency to act on its behalf under the power which is given in clause 6(i), where it says the board may—

—authorize any officer or employee of the board or any other person to act on behalf of the board in the conduct of its operations under this act.

So, I maintain—although this is not the interpretation given to it at this time by the minister—that the board under the terms in this bill is given absolute power to designate individuals, companies, or segments of the trade, to act on its behalf. I suggest that this could be to the detriment of the rest of the industry. Can the minister assure me that this is an incorrect interpretation and can he show me where those powers are not contained.

Mr. Sauvé: This deals with the powers of the employees of the board. The board will have authority to hire employees who will have power to act under authority of the board. I think the hon. member is giving to this clause a much broader interpretation than is there. This relates to the duties of the board, and the board undoubtedly will have some employees who will act under the authority of the board. There is no other intention. What the hon. member fears was not the spirit in the drafting of this particular clause.

Mr. Danforth: Mr. Minister, the reason I am labouring this point is that some marketing schemes are set up in almost identical terms, including such a power; and I fail to see that if, in the wisdom of the board, they felt that such a situation existed, they could be curtailed in any way, with the absolute power given them in these terms, in doing just what I pointed out. So far as the trade or the producers of feed grain in eastern Canada are concerned, I cannot see where their interests are protected. In subsequent clauses we will see some things which amplify the powers given in clause 6(i).

Mr. Sauvé: I do not see the difficulty. I am giving the hon. member assurance that I think this pertains only to the employees of the board in the normal discharge of their responsibilities. The hon. member is giving a much wider interpretation than I do to this particular paragraph.

Mr. Danforth: Although I give a much broader interpretation—and I admitted at the first that I would be speaking of extreme powers which the board could take to itself under this measure—can the minister assure me that anywhere in this bill there is anything which would prevent such action on behalf of the board, which is in effect a marketing scheme set up under the federal parliament.

Mr. Sauvé: If the hon. member would read clause 8(2) he might have an answer there to his problem.

• (4:30 p.m.)

Mr. Nowlan: Let me return to the constitutional point raised by the hon. member and say first of all that I appreciate the minister's concern. I do not intend to indulge in a long discussion of this subject, as I realize the minister has put in a long afternoon, but quite frankly I am not satisfied with his answer to my earlier question.

Having had some experience before the bar I have some understanding of statutes and I am afraid that what the minister said regarding a mechanical process to provide some stimulus and incentive to eastern farmers to grow feed grain will not in fact be the case as far as this bill is concerned. Perhaps the minister would consider and accept an amendment to clause 3 along the lines suggested in order that payments could be provided in support of the growing of feed grain in eastern Canada. I believe this to be the way efficiently to stimulate the growth of feed grain. I feel strongly enough in this regard that I am prepared to move an amendment, but I would ask the minister to consider this situation seriously.

Similar anxieties arise in respect of the provisions of clause 6; but in view of the minister's assurance that consideration is being given I do not intend to say a great deal about them. I do hope that, instead of leaving this clause with its present obtuse language, there will be some attempt made to spell out the intended meaning in relation to transportation and storage payments so far as feed grain in eastern Canada and British Columbia is concerned. Surely that would alleviate some of the fears expressed by individuals in the east and other parts of the country.

We should adopt some measure to provide a clear incentive to the administrators of this measure to follow the suggestion of the hon. member for Medicine Hat, in order that the production of feed grain will be in closer relation with the raising of beef cattle.

I appreciate the history behind the introduction of this measure—to get away from the paying of subsidies by stimulating local growth. Over a period of years I am sure this will be the most effective way of providing an answer to our problems.

Mr. Sauvé: I must suggest that the problem the hon. member is raising is only a problem because we are and have been paying subsidies on transportation costs for the movement of western feed grain to the maritimes. If no transportation subsidy was being paid there would be no problem, so far as moving feed grain from Port Arthur and Fort William to eastern Canada is concerned. On the basis of the hon. member's argument, we must assume that local producers of feed grain and corn could compete in all Canadian markets.

I suggest the hon. member's problem is related to the transportation subsidy being paid on feed grain, and that inasmuch as his problem is related to transportation subsidies, we have the authority to solve it without having to amend the act.

Mr. Nowlan: Without prolonging this discussion, let me suggest that we should have some clear and obvious indication that some effort is being made to remove this whole problem from the sphere of subsidies, about which many of our members have reservations. Let us put this whole thing on a constructive basis. I appreciate the minister's interpretation and understanding, but unfortunately some of our courts, and others, will take a different reaction to this bill. I am afraid that, so far as the solution to some of these individual problems is concerned, decisions will be made, by unauthorized officials, the result of which will be a lack of stimulus or incentive to the growth of eastern feed grain.

Mr. Sauvé: My suggestion is that this whole problem exists because the federal government has paid this transportation subsidy since 1941 and that, had there been no such subsidy, there would be no such problem. I do not see how we could amend the act in the way the hon. member suggests to meet his purpose. It is my belief that, as a result of the provisions of the clause he has mentioned, we will find other methods of providing the assistance necessary to satisfy his proposition and that posed by the hon. member for Kent (Ont.).

The problems the hon. member for Digby-Annapolis-Kings referred to relate directly to the transportation subsidy that has been paid since 1941, and would not exist, I suggest, had we not paid the subsidy. By accepting an amendment such as he has suggested we would be acting contrary to the intention of the act in terms of its relationship to transportation costs. We are studying this problem and hope to find some solution to the difficulties he has outlined. This problem has been referred to by various corn growers in Ontario.

Mr. Danforth: Mr. Chairman, I should like again to refer the minister to the powers of this board and the implications of clause 8 (2), which deals with the disposal of feed grain. I am concerned because these powers as outlined will allow this government appointed board to do almost anything it wishes regarding the feed grain trade, right from production to disposal.

Let me refer to an extreme situation. By virtue of the powers of this board, as envisaged in the bill, the board could designate a sole purchasing agent, selling agent, storing agent and transportation agent in every eastern province and in British Columbia. This board by virtue of the proposed powers could designate one trucking company as the sole transporter of feed grain. In this regard one need only read clause 9 in conjunction with clause 6 paragraph (k) which states:

> The board may, in furtherance of its objects, . . . generally, do and authorize such acts and things as are necessary or incidental to the attainment of the objects and purposes of the board and the exercise of its powers and the performance of its duties.

Unless the minister can convince me otherwise, this gives the board in its wisdom the power to control by directive every segment of the industry.

• (4:40 p.m.)

Mr. Sauvé: I do not understand that point, Mr. Chairman. Obviously laws should be as perfect as possible when they are drafted; but I cannot see this extreme case developing, under our system. I do not understand how we could amend the clause in a way that would satisfy the hon. member.

Mr. Danforth: I admit that I am quoting extreme cases. I am quoting them for the purpose of illustrating that there is, without doubt, extreme power vested in this particular board. Although these are the most extreme cases that I can think of, will the minister agree with me that under the provisions set out in this clause it is conceivable and possible that the board does in effect have the very power to which I have referred?

Mr. Sauvé: All I can do, Mr. Chairman, is give the assurance that the board will not exercise this kind of power—if this assurance satisfies the hon. member.

Mr. Muir (Lisgar): Mr. Chairman, before we leave clause 6 I should like to obtain clarification in respect of paragraph (d), where it says that the board may—

> —conduct negotiations for the obtaining of licences for the importation of feed grain into Canada for the importation of feed grain by them within the provisions of any such licence obtained in its name, contract with feed grain dealers in Canada for the importation of feed grain by them into Canada under the terms of such licence.

I am wondering whether the minister has considered the possibility that this clause could mean that there could be the importation of surplus feed grains from the United States, corn and so on, to the detriment of the feed grain growers of all of Canada, in that, being surplus, this grain could be sold more cheaply to the board than the price at which they could purchase, say, Ontario corn or western barley. Can the minister assure us that this provision will not be used to cut feed grain prices to a point where it is not profitable to produce this grain in Canada?

Mr. Sauvé: Yes, Mr. Chairman, I can give this assurance.

Mr. McQuaid: Mr. Chairman, before clause 6 passes I wonder whether there is not a conflict in paragraph (j) as compared with clause 9. Clause 6 (j) empowers the board to act as agent for or on behalf of any minister of the crown or as agent of Her Majesty, and clause 9 (1) provides that the board is, for the purposes of this act, an agent of Her Majesty, and its powers under this act may be exercised only as an agent of Her Majesty. Clause 6 (j) purports to give the board power to act as an agent of the minister, but clause 9 (1) limits the board to acting as an agent of Her Majesty. I suggest that this point is particularly important when one considers clause 9 (4), which provides as follows:

> Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the board in the name of the board in any court that would have jurisdiction if the board were not an agent of Her Majesty.

So if the board did something on behalf of a minister of the crown, presumably no action could be taken against the board.

Mr. Sauvé: I think any action taken against the board in respect of this provision would be the same as action taken under any other legislation. This clause is no different from a similar clause in other legislation. This provision is to be found in other legislation pertaining to boards established by parliament. This is the normal type of clause, and we have not made any innovation in this bill.

Mr. McQuaid: It may be the same type of clause, but that does not mean it is necessarily correct. I suggest that there is a very definite conflict here. Clause 6 (j) empowers the board to act as an agent on behalf of any minister, and clause 9 provides that the board may only exercise its powers as an agent of Her Majesty. How does the minister resolve these two provisions? I do not think any bill should be passed if it contains obvious inconsistencies.

Mr. Sauvé: The hon. member is arguing that there is a contradiction between clause 6 (j) and clause 9. Clause 6 (j) states that the board may—

> —act as agent for or on behalf of any minister of the crown or as agent of Her Majesty in right of Canada in respect of any operations that it may be directed to carry out by the Governor in Council;

Clause 9 (1) says:

> The board is, for all purposes of this act, an agent of Her Majesty, and its powers under this act may be exercised only as an agent of Her Majesty.

Mr. McQuaid: Yes; and the clause provides that its powers may be exercised only as an agent of Her Majesty, not as an agent of a minister of the crown.

Mr. Sauvé: I am not quite sure of this, but is not a minister of the crown an agent of Her Majesty? I do not see the contradiction here. If the hon. member sees any contradiction I am quite ready to look into this provision more carefully, but I would repeat that I do not see any contradiction. When I am minister and somebody representing me is acting on my behalf, is this different from acting as an agent of Her Majesty? I think this is a very refined point which is not very fundamental to the purposes of the bill.

Mr. McQuaid: I agree that it is a rather refined point, and the only reason I raise it is to avoid any trouble arising later. I would suggest, Mr. Chairman, that this clause be allowed to stand until the minister has had an opportunity of referring this question to the legal officers of his department.

Mr. Sauvé: Mr. Chairman, could I propose something else, namely that we do not stand this clause if we can approve the bill as it stands at the moment. If it is thought necessary to introduce an amendment, we could ask the other place to look into this matter, because they will be considering the bill in the same way as we are and could bring in the necessary amendment.

Mr. Danforth: Mr. Chairman, with all due respect to the minister, I believe that when we are faced with a controversy such as this we should let the clause stand until the legal department of the government has had adequate opportunity to make the necessary correction. I am very much concerned with another problem in this bill, namely the conflict of interest provincially and federally because of the implications of the bill. In the province of Ontario it was contemplated some two years ago to put commercial corn under a marketing scheme. This question was put to the primary producers in the form of a vote. This proposal was defeated; the farmers in no uncertain terms stated that they did not wish this commodity placed under a marketing scheme with all its implications.

In Ontario there are many marketing schemes covering different commodities, and I believe I can say with all modesty, as a leader in this particular field, that in recent months several of the marketing schemes have been held up to very rigid inspection as to whether indeed they were of benefit to the group producing the commodity.

By reason of this problem and the implications of the provisions of this bill, the grain growers of Ontario, including those who grow corn, cannot help but be placed under what is in effect a marketing scheme with all its implications. Would the minister tell us whether he has conferred with the provincial authorities of Quebec and Ontario with regard to the double responsibility contained in a bill of this type? Has the minister conferred with the officials of these two provinces to ascertain whether there is indeed an intrusion into provincial jurisdiction?

• (4:50 p.m.)

Indeed, the granting of such a measure may be an intrusion into provincial authority. I am perfectly aware that the federal authorities deal with the transport of commodities interprovincially, but this bill acts in effect within the boundaries of a particular province. I am therefore wondering whether the minister has obtained the approval of provincial groups and whether they are satisfied that there is no infringement of their jurisdiction under this bill. Are they content to allow the federal government to move into their field to this degree? This is a problem that has troubled me.

Before the minister replies may I speak of one more matter which has been of some concern to me. If there is a duplication of responsibility, then where does the final authority lie? Suppose a regulation in regard to a feed grain is proposed by the members of a provincial marketing scheme, the implications of which are perhaps not acceptable to this board, does this board overrule any provincial regulations? This is something that I find it hard to concede.

Mr. Sauvé: I think the answer to that question can be found in clause 8 (1) (a). This kind of problem would only arise if the board were to buy and sell grain everywhere in Canada. Clause 8 (a) says that "such purchase by the board shall be made from the Canadian Wheat Board or an agent thereof". It is therefore clear that if the board becomes a buyer and seller it can only buy its grain from an agent of the Canadian Wheat Board, which in this case would buy it through the wheat exchange in Winnipeg. It is clear that this legislation does not authorize us to buy grain which is locally produced. As for the transportation and storage, we can pay transportation costs or find ways and means of helping the local producer to do so, as I mentioned earlier. These are two different operations. When it comes to buying, we must proceed through an agent of the Wheat Board. The problem the hon. member raised regarding the conflicting authorities of the marketing boards does not arise.

Mr. Danforth: Mr. Chairman, although the minister has partially clarified my problem, he has further complicated another matter. He keeps referring to the purchase of feed grains through a broker on the grain board. It is certainly contemplated under this bill that purchases of surplus feed grains will be made in other provinces and that other grains will be offered for sale.

Mr. Sauvé: That is what I just said. We have to have the authority of an order in council. Otherwise we can only buy grain from the Canadian Wheat Board or its agent. However the board's responsibilities are much broader than this. Buying and selling is just an additional responsibility given to it. The board administers the funds provided by

parliament for the transportation and storage costs of the grain.

As I told the hon. member before, the problems which he raised about the Ontario locally produced grain can be dealt with satisfactorily by the regulations contained in clause 6 (a) (ii), as long as the payments are related to the transportation costs. We have to make a distinction there. If the board becomes an agent, it can only buy from the Wheat Board or an agent thereof. We cannot buy grain or corn from any agency of the provinces. This conflict which the hon. member foresees is not possible, inasmuch as the board deals as a buyer, in which case it must in fact buy in Winnipeg.

Mr. Danforth: Mr. Chairman, if this is the case, as pointed out by the minister, then this indeed does work an extreme hardship on feed grains offered for sale in eastern Canada, because if the board can only purchase western feed grains in its role as a broker on the Winnipeg Grain Exchange, and if its sole purpose is to purchase as cheaply as possible to provide the lowest possible price for the users of feed grain in the east, then that places the producers of grain in Ontario and Quebec in an untenable position because, under this new legislation, they will now be offering grain to the eastern market controlled by a government agency in direct competition with another government agency whose sole purpose is to obtain the highest possible price for its feed growers. Under this bill the minister has established a situation where one government agency sets out to get the highest possible price for feed grains and another government agency is established to procure feed grains at the lowest possible price. The rest of Canada finds itself in between the two competing agencies. This is an almost impossible situation.

Mr. Sauvé: I must refer the hon. member to clause 6 (a) (i) (ii). The board has two functions. Its first function is to make payments related to the cost of feed grain storage and feed grain transportation. It is only in extreme cases that the board will become a buyer and seller; otherwise the board does not go into the marketing field. In the normal course of events the brokers will be able to buy their grain where they want, as there will be no discrimination against the local producers, as exists under the present policy, which only applies to the transportation cost of grains from Port Arthur to eastern Canada. This afternoon I have said repeatedly that we were considering methods of equalization of opportunities for all producers. The situation which the hon. member feared would only occur if the board were to be permanently engaged in the purchase and sale of grain, which it does not. This would be an exceptional occurrence. Otherwise the board will, under the authority granted to it in clause 6 (a) (i) (ii), find ways and means of putting local producers at par with other producers of grain.

Mr. Herridge: I just wish to say, Mr. Chairman, that I think we should express our appreciation of the patience which the minister has shown. I understand he has been here since eleven o'clock and has not as yet had anything to eat today. I would suggest to the hon. member for Kent (Ont.) that if he carries on in this vein he is likely to be prosecuted by the society for the prevention of cruelty to ministers.

• (5:00 p.m.)

Mr. Muir (Lisgar): I should like to have a clarification of section 8(a), because the minister said that all purchases would be made through the Canadian Wheat Board. I took him to mean that they were buying through the Canadian Wheat Board in a designated area. However, the first part of section 8(a) says that the board may—

—buy or enter into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia.

This means that purchases of feed grain can be made in eastern Canada and that they will not be forced through the Wheat Board, although eastern Canada is not a designated area.

Mr. Sauvé: I think the hon. member has to read the entire clause. I am sorry, Mr. Chairman, but we are dealing with clause 6 and that question should be held until we reach clause 8. While I am on my feet, and since it is now five o'clock, may I ask for the consent of the committee to proceed with this bill rather than go to private members hour?

Mr. Danforth: In so far as the minister's request is concerned, Mr. Chairman, we have no quarrel with continuing but I wish to inform him that because of the importance of this bill I doubt very much that we can conclude it this evening.

Business of the House

The Acting Chairman (Mr. Richard): It being five o'clock, shall I rise, report progress and ask leave to sit again?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, may I ask for unanimous consent of the house to forgo private members hour, so that we can revert to the committee stage of this bill? I have some indication it may be possible to conclude it before six o'clock.

Mr. Knowles: Agreed.

The Acting Speaker (Mr. Richard): It is agreed that private members hour be suspended?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): The house will now revert to government business.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

The house resumed consideration in committee of Bill No. C-218, to provide assistance to livestock feeders in eastern Canada and British Columbia—Mr. Sauvé—Mr. Richard in the Chair.

On clause 6—*Powers.*

Mr. McQuaid: I do not like to be stubborn about this question of paragraph (j) of section 6, but it is of considerable importance. I suggest the minister either consent to allowing clause 6 to stand until he has secured advice from his legal counsel, or perhaps the situation could be corrected if the minister would agree, when we come to consider clause 9 (1), to inserting the words, "or as an agent or on behalf of any minister of the crown". Clause 9 would then read:

> The board is, for all purposes of this act, an agent of Her Majesty, and its powers under this act may be exercised only as an agent of Her Majesty or as an agent for or on behalf of any minister of the crown.

Mr. Sauvé: I would be ready to accept such an amendment when we come to clause 9.

Clause agreed to.

[Mr. Danforth.]

On clause 7—*Duties.*

Mr. Herridge: This is a very interesting clause, Mr. Chairman, particularly paragraphs (a), (b), (c) and (d). These paragraphs read in part as follows:

> (a) to make a continuing study of feed grain requirements in eastern Canada and British Columbia—
>
> (b) to make recommendations to the minister with respect to requirements for additional feed grain storage—
>
> (c) generally, to advise the government on all matters pertaining to the stabilization—
>
> (d) to the greatest possible extent consistent with its objectives, to consult and co-operate with all departments, branches—

And so on. Would the minister mind telling the house the procedures which he contemplates would be used under these four paragraphs (a) to (d)? Could he give us some idea of the mechanics contemplated in the operation of this clause?

Mr. Sauvé: Under the existing regulations we are already doing much of this work. There is always research being conducted to examine the need for feed grain. In so far as storage is concerned, we have continuous discussions with the Wheat Board, the Board of Grain Commissioners, the Department of Transport and the National Harbours Board concerning storage facilities. With regard to paragraph (c), we have done so many studies we are about in a position to announce some interesting proposals. The administrator of feed grains has always had excellent relations with all provincial departments, so there is nothing new here. We are putting it in the law because there was no law governing the feed grain administration. This only clarifies what we were doing under the existing system.

Mr. Pugh: There is a reference to the equalization of feed grain prices to livestock feeders. Could the minister explain how far that goes? Does it apply, for instance, to feed lots within British Columbia only, or is there to be equalization of feed lot purchases in Alberta with those in British Columbia?

Mr. Sauvé: No, the bill applies to a certain part of British Columbia, Ontario and other provinces. The reference is to equalization in terms of the situation in the province or in each of the provinces. So far, the policy has been to try to pay the transportation costs of grain from Port Arthur to eastern Canada,

leaving no balance of cost for the producer. This is what we have called equalization. It is an equalization or elimination of transportation costs so that the normal cost of feed would be the same as if the feed had been purchased at Port Arthur. The location of the buyer had no relation to the cost because transportation costs were eliminated.

Mr. Pugh: If you eliminated transportation costs, and I take it that means handling costs and storage costs, the grain sold to feeders in British Columbia could be purchased at exactly the same price as if it had been purchased on the prairies at Calgary, Winnipeg, Regina or any other city. Is that the intention? I want to know whether that is the intention of the government when they speak of equalization.

Mr. Sauvé: No, because there was an amendment to the Canadian Wheat Board Act that allows provincial trading in grain; so that the cost of feed in the western provinces is much lower than the cost of feed outside the three prairie provinces. I cannot hope to equalize the cost of feed in eastern Canada or British Columbia with the cost of feed inside the three prairie provinces. There is no possibility of that at all.

• (5:10 p.m.)

Mr. Pugh: The minister says that there is no possibility of arriving at such a solution? I am only thinking of the spirit of competition, and the plight of the poultry producers in British Columbia who are at a decided disadvantage, when one considers those on the prairies.

As I read the act, the board may, in furtherance of its objects, (a) make—

—(i) payments related to the cost of feed grain storage in Eastern Canada, and

(ii) payments related to the cost of feed grain transportation.

Thus, the payments made would not be the full cost of transportation or the full cost of storage. This would be so within the province of British Columbia, and would apply to the moving of grain to British Columbia, I take it.

Mr. Sauvé: Under this act we should not do anything different from what we are now doing, because we are paying the cost of transportation, as defined by the administrative regulations concerned. There is some definition of what transportation costs mean, and we are limited to that. We cannot do more than that, and we cannot give an additional subsidy to equalize the cost of feed in all provinces of Canada. For example, a British Columbia feeder has the advantage of being nearer the large centres in British Columbia than would be a feeder in Alberta or Saskatchewan. That accounts for the better competitive position in which the British Columbia feeder finds himself.

Mr. Olson: I am apprehensive about clause 7 (2) (c). I refer to the words, at the top of page 5, reading:

—and for the purposes of any such inquiry or investigation, empower the board or any of the members thereof to exercise the powers of a person appointed as a commissioner under Part I of the Inquiries Act.

If this is to be a permanent authority, granted to each of the board members, it seems to me that we are giving them authority to conduct an investigation. I believe that almost always in the past—and I am not sure that I am entirely correct in this—whenever an investigation has been ordered under the Inquiries Act, the matter has been of a specific nature, and has been of such magnitude that it has gained the attention of parliament, which has ordered such an inquiry.

I am apprehensive about this much authority being permitted, on a permanent basis, to every member of the board. I wonder if the minister would explain why this wording is included in the clause?

Mr. Sauvé: I think the hon. member will find similar wording in the Canadian Wheat Board Act. The wording is related to part 1 of the Inquiries Act, and it is very limited in scope. I do not have part 1 of the Inquiries Act with me, but there are some limitations in it. This power was included in the bill, because it is given to some other boards. As I say, I do not have the Inquiries Act with me, and I do not know whether this will create any major difficulties. At the moment I am unable to stress the differences between this bill, and acts relating to similar boards.

Mr. Danforth: I, too, am concerned about clause 7 (2) (c). Does not this wording, in effect, under part 1 of the Inquiries Act, empower anyone designated by this board, or any one of its members, to regulate any company or individual engaged in this particular segment of the grain trade, or to order such individual or company to make available all records and books pertaining to the business that such individual or company is engaged in?

Mr. Sauvé: Yes, this can be done, with the authorization of the governor in council. This is not a power that can be exercised by any member of the board. If one reads clause 7(2) he sees that—

—the Governor in Council may, from time to time, empower the Board to make inquiries—

And so on.

The board has to ask for authority from the governor in council to proceed in the way described. Therefore, there is the safeguard that this can only be done through action of the cabinet.

Mr. Muir (Lisgar): Referring to clause 7(1)(d), does the minister anticipate that the government will be building additional storage facilities in eastern Canada, under recommendations of the board?

Mr. Sauvé: I mentioned earlier that I do not think the board will do so, because there has been this agreement between the railways and millers with respect to buying grain on a year round basis. There will be less need for storage facilities in eastern Canada. The board will judge according to needs. But it will have the authority to build such storage facilities as there is need for.

Mr. Muir (Lisgar): I understood the minister to say that there was some disagreement, because the railways wished to work on a year round operation. The grain comes down from Fort William to the eastern ports at lower rates by ship. That can be done during the shipping season.

Mr. Sauvé: That was true until the new rates were proposed by the railways. A contract agreement was signed between the mill operators in the maritimes and the railways, as a result of which the cost of transportation by rail is about equal to the cost of transportation by water. There would be less necessity to establish storage facilities for grain transported by water because of the new agreement with the railways.

Mr. Douglas: Mr. Chairman, may I ask the minister for further clarification on the question of the equalization, the fair equalization, of feed grain prices to livestock feeders as it applies to British Columbia? Is any part of the transportation cost for livestock feeders in British Columbia paid under the feed grain administration?

[Mr. Danforth.]

Mr. Sauvé: Yes. I am afraid I gave my copy of the order in council to the reporters, but in British Columbia there is a balance of cost of about $4.60 a ton. We pay all the difference in the transportation cost.

Mr. Douglas: May I ask, on what basis is that? For the eastern livestock feeder the price is based on Port Arthur. What is the base for British Columbia?

Mr. Sauvé: I do not know what the base is. I do know that all transportation has to be by rail. I do not know what the point is in the prairies from where we calculate the transportation cost. I do know, too, that the remaining amount is about $4.60. I can provide the hon. member with the detailed information later.

Mr. Douglas: I do not need the details. I take it that there is a point fixed on the prairies, beyond which the Livestock Feed Board will pay the actual transportation cost, by the common definition which the minister has given?

Mr. Sauvé: Yes.

Clause agreed to.

On clause 8—*Purchase, etc. of feed grain.*

Mr. Muir (Lisgar): On clause 8, may I again pose a question to the minister? I understood him to say that the board can only purchase through the Canadian Wheat Board. I take it that this is true so far as the western prairies are concerned, or for those places called the designated area. But, clause 8(1)(a) says:

The Board may, in furtherance of its objects, at any time when it is so authorized by regulation

(a) buy or enter into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia.

• (5:20 p.m.)

Mr. Sauvé: I am not sure that the Canadian Wheat Board has no jurisdiction over eastern Canada. I remember we had an argument about this in the House of Commons. I do not have the act here but I think the board has authority.

An hon. Member: On import licensing only.

Mr. Muir (Lisgar): The minister will recall that an eastern grain board was set up to purchase Ontario wheat. The Wheat Board has nothing to do with the purchase of this wheat at all.

Mr. Sauvé: The board cannot purchase Ontario wheat. That is what I said earlier: It cannot be done under this bill.

Mr. Muir (Lisgar): If the minister will read the first two lines of clause 8(a) he will find that it says that the board may—

—buy or enter into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia and in the designated area—

So there is authority to buy feed grain.

Mr. Sauvé: But only from the Canadian Wheat Board. I am looking at the French text now—

Mr. Schreyer: While the minister is looking at his material I would offer the suggestion that grain produced in the east does not come under the aegis of the Canadian Wheat Board. However, it could be meant that it is western grain located at eastern terminals which could be bought from the Canadian Wheat Board by the federal purchasing agency.

Mr. Sauvé: I am sorry, I did not understand the question. Certainly eastern produced grain does not come under the authority of the Canadian Wheat Board. But we can buy only through an agent of the Canadian Wheat Board. That is what I implied.

Mr. Muir (Lisgar): Then this means that the only feed grain which could be bought in eastern Canada is grain held in an eastern position by the Canadian Wheat Board.

Mr. Sauvé: That is the meaning.

Mr. Muir (Lisgar): It is not spelled out that way.

Mr. Olson: Another question with respect to clause 8, which has a relationship to what appears in clause 16. Forgive me for quoting from clause 16, Mr. Chairman, but this involves the financial authority of the board and is, as I say, related to clause 8. Clause 16(2) states:

Subject to subsection (4) all amounts required by the board to defray any costs incurred by it pursuant to subsection (1) of section 8 shall be paid out of the Consolidated Revenue Fund.

I presume clause 17 speaks of an advance which has to be paid back. What is meant by the words in clause 16 (4) which indicate that no payment out of the Consolidated Revenue Fund under subsection (2) shall exceed "the amount by which $10 million exceeds the balance of the Canadian Livestock Feed Board account"? Where will this account originate? Does it mean that this bill authorizes the government to transfer an amount up to $10 million, in addition to whatever this account will be? I am not clear.

Mr. Sauvé: That is the amount which will be provided by the treasury and placed at the disposal of the board. If the board needs a larger sum, it can borrow from the treasury. But it is expected that this $10 million will be enough for the operation in the circumstances envisaged, which will be limited. The board can only buy and sell in certain situations as laid down in the bill.

Mr. Danforth: I should like to direct the attention of the minister to clause 8(a). As I interpret it this provision allays at least one of the major fears I expressed earlier this afternoon. If he would peruse this paragraph he would see that some of the things he said earlier, were, inadvertently, not in accord with what we find in these provisions. I think the minister will agree with me that eastern feed grain does not come under the jurisdiction of the Canadian Wheat Board. Clause 8(1) says the board may "buy or enter into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia and in the designated area."

In an earlier reply the minister led me to believe that this was to the exclusion of all purchases of locally grown feed grain. But under 9(a), as I read it, the board does have power to purchase local grain in this area. Clause 8(1) continues, however with these words:

—but where any purchase is made by the board within the designated area of grain then being purchased in that area by the Canadian Wheat Board, such purchase by the board shall be made from the Canadian Wheat Board or an agent thereof.

This seems clear to me. First, the board does have power to enter into agreements for the purchase of feed grain in eastern Canada and British Columbia, but where such purchases are made from within the designated area they must be made through the Wheat Board. I think this clarifies itself. It alleviates one of the fears I had that this agency would not be able to purchase local grain. Perhaps I am wrong, but that is the substance of the paragraph as I understand it.

Mr. Sauvé: I now have the benefit of assistance from people knowledgeable in the drafting of this bill. I refer hon. members to clause 2 (g) where it says that—

"feed grain" means wheat other than grades of wheat grown in the designated area.

Then we turn to the definition of "designated area" and we find it means the area comprised of Manitoba, Saskatchewan, Alberta and certain parts of British Columbia. That is the basis of the interpretation I gave.

Mr. Danforth: But surely paragraph (g) does not confine it to the designated area. It says "and such other grains and grain products as may be designated by regulation". The definition given in clause 2 of "feed grain" includes "such other grains and grain products as may be designated." Surely they are going to designate feed grains in other parts of Canada other than in the designated area?

• (5:30 p.m.)

Mr. Sauvé: I know pretty well what the intention of the bill is. There might be some confusion and we might have to redraft this, but when we discussed the bill it was clear to me that we could only buy grain through an agent of the Canadian Wheat Board. The hon. member now claims that under clause 8(a) grain can be bought from Ontario or any other province.

Mr. Danforth: Or from outside the country.

Mr. Sauvé: Then I have no objection, if this is possible; but that was not my interpretation. If it is possible then it is better for everybody.

Mr. Danforth: This is my whole contention. I am in agreement with clause 8(1)(a) if the interpretation is such that the board may buy grain other than from the designated area, and other than from a broker on a grain exchange. If this were not a fact, then any surplus grain produced in the east could not be purchased by the board, and that would not be equitable or fair.

Mr. Sauvé: I shall repeat that the board has two responsibilities. The first is to administer the transportation subsidy which normally amounts to about $20 million. The second responsibility of the board is that, where there is not enough feed grain in eastern Canada or B.C., it may become a broker and buy grain from an agent of the Canadian Wheat Board. Does this preclude any surplus corn or grain produced in Ontario and other provinces? I have repeatedly said this afternoon that clause 6(a)(i) and (ii)—

[Mr. Sauvé.]

Mr. Danforth: —deals with storage and transportation.

Mr. Sauvé: Yes, and under this assistance can be provided respecting surplus grain produced locally. But when the board transforms itself into a buyer it would have to buy through an agent of the wheat board. The hon. member has given a wider interpretation to the bill than I have given. If his interpretation is correct, then I have no objection; but that would be not my interpretation and I would have to consult the law officers to see which interpretation is the right one. It is unfortunate that we have lost our director, who had been dealing with all these details in great depth. I shall now have to find out which interpretation is right.

Mr. Danforth: I can understand the minister's dilemma in this particular case. The principle of the bill is to obtain the cheapest possible grain for the feeders in eastern Canada, and I would think that those who drafted the bill would have considered that when a shortage existed in feed grains, which might cause upward price fluctuations, it would be the duty of the board to procure as swiftly and economically as possible an additional supply of feed grains to alleviate the situation.

My interpretation of the clause is that they should purchase the grain, in plain vernacular, wherever they can get the best buy and the fastest buy. I cannot see why the minister would interpret this as meaning that the board would have to leap over agencies in Ontario and Saskatchewan and go to buy in a designated area. The clause says that—

—the board may . . . . enter into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia.

That is clearly stated and I cannot understand the minister's interpretation.

The Acting Chairman (Mr. Richard): Shall clause 8 carry?

Mr. Danforth: No, this is too important to the grain producers in central Canada. This must be clarified, because if the minister's interpretation is correct it precludes growers and dealers in central Canada from offering their produce for sale, unless through private enterprise. If my interpretation is correct the board can buy wherever supplies are available. It can buy from the United States if it can get an import permit. It can buy from B.C. and from the maritimes, in effect from

anywhere where there is surplus grain. I cannot see why the minister should insist on curtailing this to a very narrow concept, which will work hardship on the area I have the honour to represent.

Mr. Sauvé: I do not want to restrict the broad interpretation of clause 8(a). The intention under clause 6(a) was to assist in the transportation of feed grain and corn, but if the board were to become a broker my interpretation was that it would deal through an agent of the Wheat Board. The way clause 8 is drafted can well give rise to the hon. member's interpretation. It gives more scope to the board, but I shall have to review the matter carefully. I have no other explanation other than the one which I have given, honestly. Maybe the text justifies what the hon. member is saying. If that is so I have no objection to his interpretation, but I do not think that was the original intention.

• (5:40 p.m.)

Mr. Danforth: May I offer a solution to the minister. I appreciate he is in some difficulty on this point and I too am much concerned about it. May I suggest that he might have an opportunity to discuss this with his legal officers and give consideration to my representations in respect of the interpretation. I am not leading up to a request that this clause stand, as some hon. members may think. I am hopeful that before third reading of the bill the minister and I may have an opportunity to confer on this. In this way perhaps the difficulty may be resolved. In respect of an equalized subsidy on Ontario corn, I may say that if we cannot sell it, it does not mean a thing.

Mr. Rapp: Mr. Chairman, I would suggest to the minister that perhaps this item might stand and that we go on to clauses 9, 10 and following. There is only 15 minutes left.

Mr. Olson: Mr. Chairman, I would not like to agree to that suggestion, primarily because of what the hon. member for Kent (Ont.) has just said. We have a unique situation here of an opposition member being in complete accord with what is in the bill, and having talked the ministre into believing that his interpretation of is correct.

Clause agreed to.

Clause 9 agreed to.

On clause 10—*Bylaws.*

Mr. Danforth: Mr. Chairman, am I to understand the interpretation of clause 10 to be that the board, once it is duly constituted, will establish a set of bylaws for the legal and constitutional conduct of its business, but that before such bylaws are put into effect they must be submitted to the cabinet through the governor in council, and be accepted before they are acted upon.

Mr. Sauvé: That is correct.

Mr. McQuaid: Mr. Chairman, I assume that we have passed clause 9 subject to the amendment we had discussed in respect of clause 6(j).

Mr. Sauvé: The hon. member should stipulate the amendment. I have no objection to the amendment suggested.

Mr. McQuaid: Then, Mr. Chairman, may we revert to clause 9.

The Acting Chairman (Mr. Richard): Is it agreed that we revert to clause 9?

Some hon. Members: Agreed.

Clause 10 stands.

On clause 9—*Board agent of Her Majesty.*

Mr. McQuaid: My amendment is in respect of subclause (2) of clause 9. After the words "The Board may, on behalf of Her Majesty," insert the words "or on behalf of any minister of the crown" and, after the words "enter into contracts" delete the words "in the name of Her Majesty" and insert the words "in their names".

Mr. Sauvé: The amendment as drafted originally was better.

The Acting Chairman (Mr. Richard): Will the hon. member please submit his amendment in writing.

Mr. Olson: In the meantime, Mr. Chairman, could we stand clause 9 until we have dealt with the other clauses.

Mr. Sauvé: Yes. Would the hon. member prepare his amendment. I agree with the substance of it; it is just a matter of the drafting.

Clause 9 stands.

Clauses 10 and 11 agreed to.

Canadian Livestock Feed Board

On clause 12—*Salaries and expenses.*

Mr. Danforth: Mr. Chairman, through this legislation parliament is giving the government authority to designate whatever salaries they may deem to be necessary. I should like to know whether or not the men who will be appointed to this board will be considered as senior members of the civil service. also, will the minister give us some indication of the minimum-maximum area in which the salary of such members would fall. The board members are to be given a salary, travelling expenses and living expenses. This is normal in respect of such appointments. I am wondering however whether the minister can give us some indication of the salary range.

Mr. Sauvé: The members of the board will not be members of the civil service. I suppose the salary range would be similar to that of members of similar boards which exist. I really am at a loss to give the hon. member any amount, because I do not have any guide lines on this, except the normal guide lines of Treasury Board, and what is happening in other similar boards.

Mr. Danforth: The reason I bring this to the attention of the minister is that there is no doubt in anyone's mind that normally the qualifications of such persons would be in direct ratio to the amount of money the government is going to pay for such purposes. This is not strictly an economy matter that I am bringing up. I am more concerned that the men who will make up this board will be the best qualified we can find in Canada for this particular function.

Contrary to the argument put forward earlier this afternoon that there be five members on the board, in order that bilingualism may become a factor, I do not think those engaged in agriculture are in the least concerned about the bilingual aspect. As one who represents farmers who are mostly Anglo-Saxon I have no interest in whether or not all the members of the board are French speaking. I am concerned solely with the ability of these men to administer this measure. It is for this reason I ask what salary range is contemplated. My fear is that if we have economy in mind we will not attract the right men for this difficult and important task. This is what I am concerned about.

Mr. Sauvé: I would think that the salary range would be the same as that which is applicable to the Ontario Dairy Commission.

Clause agreed to.

[Mr. Sauvé.]

Clauses 13 and 14 agreed to.

On clause 15—*Canadian Livestock Feed Board Advisory Committee.*

Mr. Herridge: Mr. Chairman, this is a very important committee related to the functions of the board. Could the minister inform the house how he intends to appoint members to the advisory committee; will they be representatives of farmers organizations or of the grain trade, or will they be other persons? Could he give us an idea of how he intends to appoint the members of this committee?

Mr. Sauvé: They will be appointed on a regional basis and will represent farm organizations. We have not made up our minds whether or not they should represent only farmers, but the majority will represent farmers.

Mr. Herridge: I am glad to hear that.

• (5:50 p.m.)

Mr. MacDonald (Prince): Mr. Chairman, I want to return again to this clause, and I mention just in passing that I referred to this situation when we were at the second reading stage. I think hon. members could be very helpful to the operation of this program by simply preventing a waste of time and, to a certain degree, a waste of money. I am somewhat disturbed about some elements of the way the proposed advisory committee is to be devised because it has inherited, at least for the moment, some seeds which will result in an ineffective growth. Let me refer to these briefly.

I am not entirely happy with the fact that the appointment of these members is to be made by the governor in council, because this tends to leave the responsibilities of the individual members outside the areas and organizations they represent, and more or less with themselves. From previous experience this has shown to be a disadvantaged function of advisory committees. I am also concerned that the advisory committee is to be almost entirely dependent upon the board. There seems to be nothing in clause 15 which provides for a staff or for the obtaining of independent advice. There seems to be no authorization given to the committee to carry out independent examinations or investigations on its own, and there seems to be no indication that there can be publication or communication of information to producers.

We are creating a committee that is something other than strong, and I must admit

that I am disappointed in this regard, particularly because this bill was introduced by a minister responsible for rural development as well as forestry. He has not in this case provided for the same kind of powers and responsibilities.

If we are not willing to entrust this advisory committee with the same responsibilities invested in the rural development council, if we are not going to allow them to exercise the same independent judgment, then I fail to see why there should be an advisory committee at all, because it will not be able to contribute much to this segment of our industry.

Mr. Sauvé: Would the hon. member be satisfied if this advisory committee was given the same powers as the Canadian Council on Rural Development?

Mr. MacDonald (Prince): Yes.

Mr. Sauvé: That can be done, and I will undertake to see that the same kind of powers are vested in this committee.

Mr. MacDonald (Prince): In light of that commitment, let me suggest that we should spell out that this committee will be given an opportunity to take advantage of independent information supplied by research facilities, even at a minimal level. Clause 15(6)(a) states that this committee shall have the power—

> —to study and review all matters relating to feed grain transportation, storage, prices and consumption that are referred to it either by the minister or by the board.

In view of the limitations on this sphere of the board's actions it would seem to me to be valuable to add words to the effect that it can do so in respect of anything it believes to come within the responsibilities of the board.

Mr. Sauvé: I think the hon. member has answered his first problem as indicated by clause 15(5), which states:

> The advisory committee may make such rules as it deems necessary for the regulation of its proceedings, for the fixing of a quorum for any of its meetings and generally for the conduct of its activities.

I believe we have the same wording in the ARDA measure. Perhaps that measure is even less precise than this. Under that measure we have been able to establish the Canadian Council on Rural Development. Let me also state that the advisory committee will be able to make a report to the minister on any recommendation it thinks desirable. This provision comes within clause 7(b). It is not restricted in this regard.

Mr. MacDonald (Prince): We are aware of the fact that the committee can make reports, but we have not been told clearly what matters it can study and report on. Even clause 15(5), which makes reference to rules and regulations, does not seem to spell out clearly the committee's ability to set its own agenda and make use of independent information in a manner that might be helpful.

Mr. Sauvé: I have indicated that I am willing and ready to establish the same kind of committee with the same rules and regulations as apply to the Canadian Council on Northern Development in order that, *mutatis mutandis,* it could operate in the same way.

Mr. Danforth: Mr. Chairman, I should like to refer to one other matter, but I am not sure that I should do so during our consideration of clause 15. Perhaps the minister will bear with me in this regard. The suggestion is that there shall be not less than five nor more than seven members on this advisory committee. Perhaps in this way we will provide some liaison between the segments of the trade and the administrators of government policy. This is normal in such cases; what concerns me however is that while this is to be a marketing scheme, nowhere do I see any appeal or recourse provision. For this reason no segment of the trade would have recourse to some regulation felt to be unjust. There seems to be no avenue of appeal against regulations instituted by this board. Perhaps the minister could give us some information in this regard.

In the normal course of the administration of a matter as complex as this there will be opinions that extreme hardships are being imposed which, if left unchanged for any length of time, could amount to great financial losses. Perhaps the minister will indicate that some avenue of direct appeal will be provided the trade.

Mr. Sauvé: This is not to be a marketing board, and I have repeatedly stated that. Whenever anything is done by the administation which does not please the farmers or the traders there will be the same recourse. At this time we receive telegrams and complaints, particularly on the part of members of parliament who are very quick to take up the interests of these people, and I do not see how—

Mr. Knowles: That is our function.

Mr. Sauvé: I am not complaining about that, but I do not see how we could provide a regulation allowing an appeal from a decision of an administrative board. I think the general situation will apply to this board and I do not see why we should include a specific recourse in this case.

Mr. Danforth: Mr. Chairman, I was merely seeking information in this regard. Nothing has been spelled out and I wanted some clarification. If any course of action adopted by the board did work a hardship on any segment of the industry, there should be some recourse. I do not wish to quarrel with the minister this afternoon in this regard, but I wish to know whether or not there will be any course of redress or appeal to the board, the committee or the minister. I was merely seeking information, not asking for a specific indication in the bill.

• (6:00 p.m.)

Mr. MacDonald (Prince): Mr. Chairman, I do not like to belabour this point but I feel we are at the crucial point in this legislation, because unless the advisory committee has the kind of power I would expect it to have, the kind of thing we were talking about earlier in the day really will not become a fact of life with respect to the functioning of the board.

We have to be realistic with regard to the people who will make up the membership of the board. Whether the membership be one, three or five they will be closely related to, shall I call it, the civil service aspect of the administration, or they will at least be people who will be looking at this problem almost exclusively from the standpoint of economists or experts. On the advisory committee we expect people who will have a specific understanding of the problems that relate to different parts of the country, if we intend to administer this kind of program effectively. That is why I am extremely anxious to see that the advisory committee has the power necessary to do its job effectively.

For this reason I am sure that two or three things need to be added to this clause in order to make it specific enough that the advisory committee, the board and the minister will be fully cognizant of the role of each. I should like to think, again, that we could add something to this clause which would suggest that the committee could examine those responsibilities which come within the purview of the board. In clause 15 (6) (a) we could perhaps delete the word "and" and include a provision to cover the committee dealing with matters of this sort. Then in respect of subparagraph (b) we could add, after the word "it", something to the effect that the board should publish from time to time such information as may seem useful to the general work of the board.

These two things would perhaps add something specific with regard to the functions of the board, because I think its staff and research facilities are crucial to the effectiveness of this program. The program will not be an easy one to carry out, as has been emphasized time and time again, without an advisory committee that really means something. I think we will be very much shortchanged on the effectiveness of this board if we do not make this kind of provision.

Some hon. Members: Six o'clock.

Mr. Rapp: Mr. Chairman, if it will take another hour or two to finish consideration of this bill, why not call it six o'clock and we will continue our discussion of the bill next Tuesday.

Mr. Knowles: Six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Rapp: Mr. Speaker, I should like to ask the acting house leader what the business will be for next Tuesday.

Mr. Pennell: Mr. Speaker, if there is an assumption of some reluctance to rise on my part, that assumption is correct. To the best of my knowledge, it is proposed to deal with the bill now before the house, namely Bill No. C-218. If this bill is disposed of, it might be a fair assumption that Bill No. C-227 would be called.

It being five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX

FEED GRAIN ASSISTANCE REGULATIONS—
TRANSPORTATION ASSISTANCE RATES

NOTICE TO THE TRADE:

Re: Order in Council P.C. 1966-1835

Effective October 1, 1966

Attached is a copy of the Feed Grain Assistance Regulations and new Schedule of Transportation Assistance Rates, as amended by the above Order-in-Council.

For your convenience, we wish to point out the following changes:

Transportation

Changes in the rates of assistance should be noted in shipments to destinations as follows:

Ontario—Changes to all destinations in the counties of Cochrane, Timiskaming, Nipissing, Algoma, Manitoulin, Sudbury, Thunder Bay, Carleton, Dundas, Glengarry, Lanark, Prescott, Renfrew, Russell, Stormont, Durham, Haliburton, Muskoka, Northumberland, Ontario, Parry Sound, Peterborough and Victoria.

Quebec—Changes to all destinations in the counties of Abitibi, Bonaventure, Saguenay, Compton, Labelle, Gatineau, Matane, Matapedia, Drummond, Chicoutimi, Lac St. Jean East, Lac St. Jean West, Rimouski, Rivière du Loup, Stanstead, Temiscouata, Brome, Frontenac, Kamouraska, L'Islet, Richmond, Sherbrooke, Wolfe, Arthabaska, Nicolet, Charlevoix, Gaspe East, Gaspe West, Temiscamingue, Magdalen Islands, Hull, Papineau and Pontiac.

New Brunswick—Changes to all destinations except those in the county of York.

Nova Scotia—Changes to all destinations except those in the county of Cumberland.

Prince Edward Island—Changes to all destinations.

Newfoundland—Changes to all destinations and the establishment of two zones within the province.

British Columbia—A change in the method of determining assistance rates by specific tariffs, thus allowing the use of any agreed charge or competitive rates without penalty in the rate of assistance applicable.

J. M. McDonough,
Supervisor,
Feed Grain Assistance Programs

Ottawa
September 27, 1966.

Regulations Respecting Assistance on Western Feed Grains Shipped Into Eastern Canada And British Columbia

1. These Regulations may be cited as the *Feed Grain Assistance Regulations.*

2. In these Regulations:

(a) "British Columbia" means that portion of British Columbia other than the part known as the Peace River District;

(b) "Director" means the Director of Feed Grain Assistance Programmes, Department of Forestry;

(c) "Eastern Canada" means all that portion of Canada lying east of the meridian passing through the eastern boundary of the City of Port Arthur;

(d) "livestock" means horses, cattle, sheep, goats, swine, foxes, mink, rabbits and poultry;

(e) "Minister" means the Minister of Forestry;

(f) "No. 1 Feed Screenings" and "Sample Feed Grain" have the same meaning as in the *Canada Grain Regulations*;

(g) "Prairie Region" means the provinces of Manitoba, Saskatchewan and Alberta and that portion of British Columbia known as the Peace River District;

(h) "Western Canada" means all that portion of Canada lying west of the meridian passing through the eastern boundary of the city of Port Arthur; and

(i) "Wholesaler" means a person who, in selling a product, reduces the price of the product by the amount of transportation assistance that may be paid under these Regulations prior to obtaining the assistance.

3. The Minister may pay assistance in the appropriate amount set out in the Schedule in respect of transportation expenses incurred on:

(a) wheat, oats, barley and rye grown in Western Canada and shipped to a destination in Eastern Canada;

(b) No. 1 Feed Screenings and Sample Feed Grain produced in Western Canada and shipped to a destination in Eastern Canada;

(c) wheat bran, wheat shorts and wheat middlings produced in Western Canada and shipped to a destination in Eastern Canada or produced in Eastern Canada from wheat grown in Western Canada;

(d) wheat, oats, barley, rye and corn grown in the Prairie Region and shipped to a destination in British Columbia;

(e) No. 1 Feed Screenings and Sample Feed Grain produced in the Prairie Region and shipped to a destination in British Columbia; and

(f) wheat bran, wheat shorts and wheat middlings produced in the Prairie Region and shipped to a destination in British Columbia or produced in British Columbia from wheat grown in the Prairie Region.

4. (1) The Minister shall not pay assistance in respect of transportation:

(a) where the grain, screening or wheat product is transported by truck from Western Canada into Eastern Canada, from Western Canada into British Columbia or from any place of shipment in British Columbia to a destination in that province; or

(b) where the grain, screenings or wheat product is transported by truck from a place of shipment in Eastern Canada to a destination in Eastern Canada that has a higher rate of assistance than that of the place of shipment unless the owner of the truck is the wholesaler of the shipment, or

(i) is licensed as a common carrier;

(ii) has furnished the Minister with an undertaking in accordance with Section 5; and

(iii) has complied with that undertaking.

(2) The Minister shall not pay assistance in respect of transportation where:

(a) he is satisfied that the produce shipped was not for feed for livestock in Canada; or

(b) he is not satisfied that the sale price to the buyers of the product has been reduced by the amount of the assistance that may be paid under these Regulations.

5. The undertaking of a trucker shall be in a form satisfactory to the Minister and shall include an undertaking by the trucker to:

(a) provide the Director with all tariffs set out by his firm on grain, screenings and wheat products;

(b) issue bills of lading on all shipments eligible for assistance under these Regulations setting out the actual destination or destinations of all of the shipment;

(c) charge a rate on the movement of grain, screenings and wheat products in accordance with the current tariff he has provided to the Director; and

(d) in any case where his truck licence permits the transport between any two points of a product for more than one shipper, make available to all shippers and consignees at those points the lowest rate he charges between those points for grain, screenings or wheat products shipped in the same quantity per individual shipment.

6. In determining the amount of assistance payable on a shipment made by railway car to a destination:

(a) the rail point nearest the actual destination is deemed to be the destination; and

(b) that rail point is deemed to be situate in the county or locality in which it is shown as being situate in

(i) the *Gazeteer of Canada*, in the case of a destination in the Province of Ontario, New Brunswick or Nova Scotia; or

(ii) the *Canadian Guide*, published by the International Railway Publishing Company Limited, in the case of a destination in the Province of Quebec.

SCHEDULE

Transportation Assistance

1. Shipments to Ontario:

(a) to destinations in the Counties of Cochrane and Timiskaming, per ton, $12.60.

(b) to destinations in the Counties of Nipissing, Algoma and Manitoulin, per ton $10.00.

(c) to destinations in the Counties of Sudbury and Thunder Bay, per ton, $8.00.

(d) to destinations in the Counties of Carleton, Dundas, Glengarry, Lanark, Prescott, Renfrew, Russell and Stormont, per ton, $6.60.

(e) to destinations in the Counties of Durham, Frontenac, Grenville, Haliburton, Hastings, Leeds, Lennox and Addington, Muskoka, Northumberland, Ontario, Parry Sound, Peterborough, Prince Edward and Victoria, per ton, $5.40.

(f) to other destinations, per ton, $4.80.

2. Shipments to Quebec:

(a) to destinations in the Magdalen Islands, per ton, $18.00.

(b) to destinations in the Counties of Gaspe East, Gaspe West and Temiscamingue, per ton, $13.60.

(c) to destinations in the Counties of Abitibi, Bonaventure and Saguenay, per ton, $12.60.

(d) to destinations in the Counties of Compton, Gatineau, Labelle, Matane and Matapedia, per ton, $10.60.

(e) to destinations in the Counties of Chicoutimi, Lac St. Jean East, Lac St. Jean West, Rimouski, Rivière du Loup, Stanstead, Temiscouata, per ton, $9.40.

(f) to destinations in the Counties of Brome, Frontenac Kamouraska, L'Islet, Richmond, Sherbrooke, Wolfe, per ton, $8.40.

(g) to other destinations, per ton, $7.40.

3. Shipments to New Brunswick:

(a) to destinations in the Counties of Carleton, Charlotte, Gloucester, Kent, Northumberland, Queens and Sunbury, per ton, $17.00.

(b) to destinations in the County of York, per ton, $14.60.

(c) to destinations in the Counties of Kings, Restigouche and St. John, per ton, $13.40.

(d) to other destinations, per ton, $12.20.

4. Shipments to Nova Scotia:

(1) Except as provided in sub-item (2) Shipments to Nova Scotia

(a) to destinations in the Counties of Cape Breton and Victoria, per ton, $17.20.

(b) to destinations in the Counties of Inverness, Richmond and Yarmouth, per ton, $16.20.

(c) to destinations in the Counties of Digby, Guysboro and Shelburne, per ton, $15.00.

(d) to destinations in the Counties of Cumberland and Queens, per ton, $13.60.

(e) to destinations in the County of Antigonish, per ton, $12.00.

(f) to destinations in the Counties of Annapolis, Lunenburg and Pictou, per ton, $10.80.

(g) to other destinations, per ton, $9.60.

(2) Shipments of wheat bran, wheat shorts, wheat middlings to Nova Scotia from Ontario or Quebec

(a) to destinations taking a carlot freight rate from Fort William of $1.07 per hundredweight, per ton,$15.20.

(b) to destinations taking a carlot freight rate from Fort William of $1.07 per hundredweight, per ton, $16.20.

5. Shipments to Prince Edward Island, per ton, $14.80.

6. Shipments to Newfoundland:

(a) to destinations in the Avalon Peninsula, being all that portion of the Province of Newfoundland contained within the following boundaries: Commencing at the mouth of Pipers Hole River in Placentia Bay; thence up said river to the Terrenceville Highway Road; thence in a general easterly direction along the centre of said road to the Newfoundland Railway, (excluding the village of Goobies); thence southerly along said Railway to a point due west of the northern extremity of Bull Arm; thence due east to Buli Arm; thence southeasterly along Bull Arm to Trinity Bay; thence northeasterly along Trinity Bay to the Ocean; thence southerly and westerly in the Ocean to Placentia Bay; thence northerly along said bay to the point of commencement, (excluding Red Island, Long Island and Sound Island), per ton, $17.40.

(b) to all other destinations in Newfoundland and Labrador, per ton, $23.40.

7. Shipments to British Columbia:

(a) to destinations served by rail, $4.40 per ton less than the lowest carload freight rate through Canada from Calgary, Edmonton, Lethbridge or point of origin as determined from the following Tariffs, supplements thereto and successive issues thereof or combinations thereof: C.P.R. Tariffs W.849-B and 5-B; C.N.R. Tariffs W.184-D and W.230-B; G.N. Railway Tariffs 625-i and 771-H; P.G.E. Railway Tariff 207-A (Domestic section).

(b) to destinations served only by water carrier, the amount payable to the nearest mainland rail point, as determined in accordance with paragraph (a) plus the difference in amount between the assistance payable to Courtenay and the assistance payable to Vancouver.

HOUSE OF COMMONS

Tuesday, October 11, 1966

The house met at 2.30 p.m.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the Chief Electoral Officer certificates of the election and return of two members, namely:

Don Jamieson, Esquire, for the electoral district of Burin-Burgeo; and

Andrew Chatwood, Esquire, for the electoral district of Grand Falls-White Bay-Labrador.

NEW MEMBERS INTRODUCED

Don Jamieson, Esquire, member for the electoral district of Burin-Burgeo, introduced by Right Hon. L. B. Pearson and Hon. J. W. Pickersgill.

Andrew Chatwood, Esquire, member for the electoral district of Grand Falls-White Bay-Labrador, introduced by Right Hon. L. B. Pearson and Hon. J. W. Pickersgill.

• (2:40 p.m.)

TRANSPORT

DORION, QUE.—INVESTIGATION INTO LEVEL CROSSING ACCIDENT

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, it is because of a very sad occasion that I am obliged to rise in the house today. The Thanksgiving week end for all of us all over Canada was marred by the terrible accident at Dorion which took the lives of 19 young people and caused injury to 24 others, some of whom are in very grave condition.

This is but one of unfortunately too many of these accidents on the roads and at level crossings. I should like to tell the house that both the Canadian National Railways and the Board of Transport Commissioners have been conducting the most intensive investigations from the moment of the news of the accident. Every effort that it is possible to take will be taken to find out what was the real cause, and if it is found to be a situation that can be corrected the necessary corrective action will be taken, and taken without delay.

I feel sure, sir, that I express your sentiments and the sentiments of every member of the house when I express to the families of all those who lost their lives or who may have been crippled the deep sympathy of the house, which I believe is shared throughout the country.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the words of the Minister of Transport there will be entire agreement on the part of hon. members of the house and the people of the country as a whole. The terrible tragedy which struck Dorion evokes a maximum of sympathy in the hearts and souls of all Canadians.

What will be done, what action should be taken to guard against another repetition of a tragedy now twice repeated within a period of some two or three years? The Kiwanis club of Lake of Two Mountains communicated with me in these words:

> Dorion bus train tragedy due to highly unsatisfactory level crossing conditions generally in this area. Corrective action required now. Commission investigation later.

We have the assurance of the minister that everything is being done by the railway company and the Board of Transport Commissioners fully to investigate this matter. This is part of the larger tragedy of week end slaughter of Canadians on our highways and is something that challenges—yes, demands—that in the spirit of unity between federal and provincial governments we recognize the need to prevent the terrible wastage of life which is taking place. Indeed, as compared to the casualties suffered by the United States forces in Viet Nam our week end highway casualties are often larger.

The sympathy of all Canadians is extended to the parents and families of those young people who died after an hour of happiness which turned into tragedy.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of the New Democratic Party wish to associate themselves with the expressions of regret and sympathy already put forward by the Minister of Transport and the right hon. Leader of the Official Opposition. We too wish to extend our condolences to the families of those who suffered such a tragic loss at the level crossing at Dorion.

Dorion Level Crossing Accident

We are pleased to note that an immediate investigation is being carried on by the Board of Transport Commissioners and the railway company, and hope this terrible happening will cause the authorities to make a more careful examination of railway crossings generally. There have been far too many accidents of this nature in Canada in recent years, and it may be that inspections of these level crossings are becoming too much of a routine procedure and are not being carried out carefully or frequently enough. I hope this tragic event will stimulate some action in order that, if it is humanly possible, we will not have a repetition of this kind of thing.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we were astounded to learn last Friday evening that 19 young people had been killed in a terrible accident in Dorion. We have been informed since then that six others are in critical condition in Montreal hospitals.

The Minister of Transport (Mr. Pickersgill) tells us that a full investigation will be conducted without delay in order to ascertain the cause of this accident. It is unfortunate that such an investigation had not been ordered earlier, because so many deaths and such a dreadful accident could have been prevented.

As a matter of fact, everybody knows that the traffic is always very heavy in Dorion and that a few miles in either direction from that town there are level crossings. I believe the investigators will have no trouble finding the cause of the accident. In the first place, that level crossing should have been removed many years ago.

It may not be appropriate, on such an occasion, to point out this fact, but the fact remains and those level crossings must necessarily be eliminated where traffic is so heavy.

Mr. Speaker, the group which I represent, the Ralliement Créditiste, share the grief of those sorely tried families. We extend to each of those families our heartfelt sympathy and we hope that the competent authorities will see to it that such accidents never occur again in our country.

• (2:50 p.m.)

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on behalf of the Social Credit party

[Mr. Douglas.]

I wish to associate myself with the expressions of sympathy and concern at this tragedy which took place over the Thanksgiving week end. We extend our sympathy to the families of those who were killed. It is also a tragedy that it takes an accident of this type to bring to our attention the importance and urgent need of taking every precautionary step that will eliminate such accidents. We are reminded of the school bus accident that took place in Lamont, Alberta, several years ago and the number of young people, not to mention others, whose lives had been taken in railroad crossing accidents in the interval.

I would urge the minister at this time to reconsider a safety measure which has been discussed with him a number of times, namely the installation of electronic warning devices particularly on public vehicles such as school buses. Certainly precautionary measures should be given greater consideration in order to prevent such accidents, and these matters should not only be considered when an accident occurs and the situation is emphasized.

Again, Mr. Speaker, we associate ourselves with the expressions of sympathy put forward by other hon. members and urge the minister to take every possible action, not only to investigate this accident but to bring about safety measures such as have been suggested in order to prevent these accidents occurring.

HOUSE OF COMMONS

TABLING OF REPORT OF COMMITTEE ON ELECTION EXPENSES

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I wish to table in English and in French two copies of the report of the special committee on election expenses.

[*Translation*]

COAL

TABLING OF REPORT ON ASSISTANCE PROGRAM

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, on behalf of the Minister of Finance and Receiver General (Mr. Sharp) who has received this document, I table two English and two French copies of the report on the problem of Cape Breton coal mines, better known under the name of the Donald report.

[*English*]

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. Grant Deachman (for Mr. Macaluso) moved that the tenth report of the standing committee on transport and communications, presented to the house on Friday, October 7, be concurred in.

Motion agreed to.

CRIMINAL CODE

AMENDMENT TO ELIMINATE PREMIUM STAMPS IN FOOD ESTABLISHMENTS

Mr. Milton L. Klein (Cartier) moved for leave to introduce Bill No. C-234, to amend the Criminal Code (elimination of premium stamps in food establishments).

Some hon. Members: Explain.

Mr. Klein: Mr. Speaker, the object of this bill is to eliminate the practice whereby supermarkets issue stamps redeemable in merchandise other than foodstuffs, which effects the elimination of competition in food prices as between supermarkets, makes for captive customers and adds to the cost of food items, to the detriment of the public.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall said bill be read a second time?

Mr. Frank Howard (Skeena): Mr. Speaker, I have taken the opportunity of speaking with the representatives of each of the parties, and I have good reason to believe that the request I now make will receive unanimous approval. My request is that the bill just introduced by the hon. member for Cartier be given priority and placed as the first item of business under the heading of private members' public bills, and that it retain that position until disposed of. May I make that request, Mr. Speaker?

Mr. Speaker: When shall the said bill be read a second time?

Mr. Howard: Is there no consent to making it an order of the house?

Mr. Speaker: It may be a little difficult to ascertain whether there is general consent among all members of the house that this bill be given the priority which the hon. member suggests it be given.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I regret very much having to advise the hon. member that there are negative voices heard by the Chair.

Mr. Howard: They were Liberal negative voices.

Mr. Speaker: Is it agreed that the bill be read a second time at the next sitting of the house?

Some hon. Members: Agreed.

AMENDMENT TO ELIMINATE TRADING STAMPS, COUPONS, ETC.

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-235, to amend the Criminal Code (trading stamps).

Some hon. Members: Explain.

Mr. Howard: It seems rather futile to introduce this bill after what the government members just did with respect to a bill of one of their own members. None the less, the purpose of this bill is similar to that enunciated by the hon. member for Cartier except that it goes beyond the concept of so-called trading stamps and includes coupons and receipts used for similar purposes, their purported design being to reduce food prices.

Motion agreed to and bill read the first time.

• (3:00 p.m.)

NORTHERN AFFAIRS AND NATIONAL RESOURCES

GRANTING OF FURTHER POWERS TO STANDING COMMITTEE

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development) moved:

That, in addition to the powers granted July 13, 1966, to the standing committee on northern affairs and national resources, the said committee be also empowered to obtain further information relating to matters and projects dealing with national parks and historic parks and sites;

That for this purpose, the said committee be authorized to sit while the house is sitting or during adjournment of the house, to adjourn from place to place within Canada; and

That the clerk of the said committee and the necessary supporting staff do accompany the said committee.

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

Inquiries of the Ministry

NATIONAL DEFENCE

BATTLE OF BRITAIN—REPORTED CANCELLATION OF COMMEMORATIVE SERVICE AND PARADE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question to the Minister of National Defence and ask him whether the Nova Scotia command of the Royal Canadian Legion is correct in its belief that the higher authority of the armed forces has seen fit to discontinue the parade commemorating the battle of Britain and the church service, as well as the placing of wreaths by the Royal Canadian Air Force as part of the annual commemorative service. If it is so, what is the purpose of this? Why should this event, the battle of Britain, that brought salvation to freedom all over the world, be denied celebration within Canada?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am certain that no such decision has been taken by the higher authority nor promulgated to the commands. This would be a matter for the commands themselves to decide.

Mr. Diefenbaker: Does the minister say that he has not received a resolution passed by the executive council of the Nova Scotia command to this effect, asking the government to reverse a decision denying Canadian veterans, and the people as a whole, the right to join in the commemoration of an event that takes its place amongst the greatest in the history of freedom?

Mr. Hellyer: If it has come in over the week end I have not yet had a chance to see it.

LABOUR CONDITIONS

PAYMENT OF TRANSITIONAL BENEFITS FOR DISPLACED AUTOMOBILE WORKERS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is for the Minister of Labour. In view of the fact that the former minister of labour promised that transitional assistance benefits would be available to auto workers who were thrown out of work because of the Canada-U.S. auto agreement, may I ask the minister why such payments are not being made in the great majority of cases, and what steps the government are taking to comply with the commitment made by the former minister?

[Mr. Speaker.]

Hon. J. R. Nicholson (Minister of Labour): In answer to the question, Mr. Speaker, may I say that some transitional assistance benefits have been paid in accordance with the assurances given by my predecessor. I might say also that subsequently there have been some new developments and changes in circumstances, and representations have been made within the last few days to me and to some of my colleagues in the government. These representations are under study, and if changes in the regulations are to be made they will be announced in due course.

Mr. Douglas: May I ask the Minister of Labour if it is correct that out of some 3,000 men displaced less than 200 have received transitional assistance benefits? If this information is correct, what is the reason for the small percentage receiving benefits?

Mr. Nicholson: The conditions that developed over the last few days and weeks have created a new situation from the one that existed a year ago. This is one reason why the matter is under active study at the present time.

Mr. Reid Scott (Danforth): May I ask a supplementary question. In view of the complete breakdown of the voluntary aspect of the TAB plan and the intransigence of the motor companies in refusing to participate, would the government now give consideration to making the participation of these companies in the TAB plan compulsory?

Mr. Nicholson: I cannot accept the premises on which the question is based.

Mr. David Orlikow (Winnipeg North): I should like to ask the minister if it is correct that before the TAB benefits can be paid the auto companies must certify that the lay-offs are the result of the auto pact, and this is the reason for the hold-up?

Mr. Nicholson: That may be one factor.

Hon. Michael Starr (Ontario): I should like to ask a supplementary question of the Minister of Labour. In view of the representations made by the automobile workers that TAB be paid in addition to SUB, has the minister arrived at any decision that will enable some action to be taken on this suggestion?

Mr. Nicholson: I might remind the hon. member of the visitation that I had from a very impressive delegation from Oshawa within the last few days. I assured them in his presence that they might expect a decision within 10 or 12 days.

[*Translation*]

LABOUR RELATIONS

AIR CANADA—PAYMENT OF RETROACTIVE WAGE BENEFITS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a question for the hon. Minister of Transport. It could be directed also to the Minister of Labour.

As soon as Air Canada was threatened with a strike, an agreement was reached. The wage settlement included retroactivity, but to date the employees have not received anything.

Can the minister tell us today when he expects this back-pay will be paid to the employees of Air Canada?

Mr. Speaker: Order. There may be some urgency beyond my grasp about the question put by the hon. member, but I would suggest that he put his question on the order paper.

Mr. Caouette: On a point of order, or a question of privilege, Mr. Speaker.

I believe the question is sufficiently important to justify an immediate answer. Besides, the minister seemed prepared to reply. We may find ourselves facing another strike if this question is not answered soon. I feel the urgency is obvious enough.

Mr. Speaker: The eloquence of the hon. member for Villeneuve has won me over, and the hon. minister seems quite willing to answer his question.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): I am afraid, sir, I do not know the reply to the question, but I will ask Air Canada and do my best to give the hon. gentleman a reply.

EXTERNAL AFFAIRS

RED CHINA—LIBERAL PARTY COMMITTEE RECOMMENDATION AS TO RECOGNITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to direct a question to the Secretary of State for External Affairs. Does the recommendation that red China be recognized and admitted immediately to the United Nations, as made yesterday by the Liberal party external affairs committee, reflect government opinion and policy?

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, first of all I may inform my hon. friend and other hon. members of this house that we are having a very successful meeting. As the Prime Minister said in his opening remarks yesterday when he welcomed the delegates to the convention, the recommendations of the convention will serve very materially in enabling the government to reach conclusions in the national and international interests.

Mr. Starr: Somebody should guide them.

Mr. Thompson: I ask the minister if he will answer my question. Does this decision reflect government policy?

Mr. Martin (Essex East): I think if my hon. friend will reflect he will see that I have answered the question.

[*Translation*]

Mr. Réal Caouette (Villeneuve): A supplementary question. I appreciate the comments made by the hon. Secretary of State for External Affairs concerning the success of the convention presently under way in Ottawa; however, I would like to know if he is now considering the possibility for Canadian delegations going to London to receive a welcome similar to that which we had in Iran two weeks ago, because there was no one from the High Commissioner's office to greet the Canadian delegation at the London airport.

Mr. Speaker: Order. The question is not of a supplementary nature.

[*English*]

TRADE

SUGGESTED ELIMINATION OF TARIFFS IN NORTH AMERICA

On the orders of the day:

Hon. George Hees (Northumberland): I should like to direct a question to the Prime Minister. In view of the decision taken at an important meeting held in this city yesterday to press for the elimination of tariffs in North America, is the government planning to initiate discussions with the government of the United States in the near future to further the realization of this objective?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wonder whether my hon. friend would identify this meeting to which he refers.

Inquiries of the Ministry

Mr. Hees: Yes, Mr. Speaker; the Liberal convention in Ottawa.

Mr. Pearson: Mr. Speaker, any resolutions from such an important and successful meeting will certainly be taken very seriously by the government.

Mr. Hees: A supplementary question to the Prime Minister, Mr. Speaker. Was the Minister of Labour voicing government opinion and policy when he advocated North American free trade at the meeting last evening?

Mr. Pearson: Mr. Speaker, my hon. friend should wait until I receive the exact text of what the minister said, and then he will realize that it is not quite as straightforward and as simple as the hon. member has indicated.

Mr. Hees: I would be glad to send a copy of what the minister said over to the Prime Minister, Mr. Speaker, and then I would appreciate it if he would give me an answer to my question.

[*Later:*]

Mr. Pearson: While I am on my feet, Mr. Speaker, and to save the hon. member for Northumberland from getting to his feet, because he has been trying to rise to ask me if I have yet read the clipping he was good enough to send me, may I say I have and, as I suspected, his question is based on a press report which does not quote the Minister of Labour but merely states that at the convention last night the Minister of Labour spoke strongly in favour of free trade. Mr. Speaker, Liberal ministers have been speaking strongly in favour of free trade for 99 years and Liberal governments have been doing something about it.

Some hon. Members: Hear, hear.

UNITED NATIONS

SOUTH-WEST AFRICA—CANADIAN POSITION RESPECTING MANDATE OF SOUTH AFRICA

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs. A radio report from New York last week indicated that the minister was performing on a tightrope at the United Nations. Would the minister give the House of Commons a demonstration in answering the following question? What is the government's policy with regard to the mandated territory of South-West Africa?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thought I gave my hon. friend a demonstration every time he asked a question in this house. On behalf of the government of Canada I said on Friday the Canadian government felt that because of the practice by the government of South Africa of its apartheid policy in South-West Africa, and because of its failure to report pursuant to resolutions of the United Nations general assembly, South Africa had forfeited its right to administer the mandate. We recommended the establishment of a committee of members of the UN to consider what steps could be taken to give effect to a resolution which I suspect will be passed some day this week in the general assembly.

Mr. David Lewis (York South): A supplementary question, Mr. Speaker. In view of the last answer of the minister, with which I entirely agree, would the minister inform the house why Canada abstained at the United Nations from voting on a motion to impose sanctions against South Africa for the very policy for which he has just shown his contempt?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend is referring to a former resolution. He does not identify the resolution in question. There can be no question about the position of Canada and our feeling that South Africa has forfeited the right to administer the mandate because of its practice of apartheid and its failure to live up to the UN principles of accountability.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I have a supplementary question which follows upon that asked by the hon. member for York South. This vote was on the question of racial discrimination, with regard to which a resolution was brought into the United Nations last week. If Canada felt so strongly toward this country, why did we abstain from voting on this resolution?

Mr. Speaker: The hon. member for Oxford.

Mr. Langlois (Mégantic): Mr. Speaker, the minister asked about which resolution we were talking, and I have told him in order that we may have an answer.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a related question which I would direct

to the Secretary of State for External Affairs. Perhaps at the same time the minister could avail himself of the opportunity of answering the question put by the hon. member for Mégantic.

Can the minister tell the house which resolutions are presently being either sponsored or co-sponsored by Canada at the current general assembly of the United Nations?

Mr. Speaker: Order, please. That question is not acceptable; it is not in order.

GRAIN

WHEAT—REQUEST FOR INCREASE IN PAYMENTS TO FARMERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not quite know to whom to direct this question, but I will direct it to the Minister of Trade and Commerce in view of the absence of the Minister of Finance, who is spokesman for the wheat board.

Is the government now giving consideration to increasing the amount to be paid to the farmers for wheat in view of the fact that there was a cut a year ago of 18 cents a bushel, and in view of the continually rising cost of production? I put this question to the Minister of Trade and Commerce because he is the one who has lately been dealing with wheat.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, this matter does not properly fall within my sphere of activity, but I will be glad to take the question as notice and refer it to the Minister of Finance.

[*Later:*]

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. When he and his cabinet colleagues are giving consideration to increasing the price of wheat, would he also have them give consideration to raising the initial payment so that farmers in the western prairies can meet their early fall commitments?

Mr. Winters: Mr. Speaker, here again is a matter that comes appropriately under the Minister of Finance, but we have been urging an increase in the price of wheat with every consuming country in the world and I hope in due course we shall succeed.

Inquiries of the Ministry

HIGHWAY SAFETY

ESTABLISHMENT OF NATIONAL ACCIDENT RESEARCH CENTRE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, mention has already been made in the house today of the fact that once more we have set a record in Canada over this Thanksgiving week end for highway deaths and injuries. In view of this and in view of the unanimous—and I underline the word "unanimous"—recommendation of the committee on highway deaths and injuries which finished its studies of codes last week in Ottawa, is the government now considering the establishment of a national accident prevention research centre in Ottawa, and can we expect an announcement very soon in this regard?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as I think I mentioned earlier in reply to a somewhat similar question, consideration is now being given by the National Research Council to the parameters involved in setting up an establishment such as suggested by the hon. gentleman. When this study is complete—I hope this will not be too long—we will be able to see what will be possible and what will be practicable.

Mr. Grafftey: Mr. Speaker, may I put a supplementary question to the Minister of Transport. Can the minister inform the house whether or not some time ago the proper authorities made representations to the transport commission for underpass or overpass facilities at the Dorion tragedy site? Can the minister also assure the house the transport commission study will include a rigid and exhaustive inspection of the vehicle involved in the accident?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think I can assure the hon. gentleman that every aspect of whatever evidence can be secured in connection with the state of the vehicle, the signals and any possibility of human error will be secured. It is the desire both of the railway and of the board of transport commissioners not merely to establish the facts of the situation but to see whether they will provide us with any light on the best way to prevent a repetition of such an occurrence, not just at Dorion but anywhere else.

Inquiries of the Ministry

NATIONAL DEFENCE

NEWSPAPER ARTICLES BY FORMER CHAIRMAN OF CHIEFS OF STAFF

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the minister of defence. Has he seen any of the articles appearing in the Ottawa *Journal* written by General Charles Foulkes, retired chairman of the chiefs of staff and who at one time, I think in 1962, endeavoured to become a Liberal candidate? Has this matter been brought to the minister's attention? The article in question makes extremely grave charges. Indeed, it states that the situation is such that—

Mr. Speaker: Order, please. The Leader of the Opposition cannot quote the article to which he is referring.

Mr. Diefenbaker: Mr. Speaker, I was trying to identify the article so the minister will be able to answer. In view of the charges made by General Foulkes, a supporter of the government, that the situation is serious—indeed, the minister has been asked "What are you doing with the armed forces?"—will he now give consideration to recalling the defence committee so that we will be able to ascertain why it is that the advice of these men who did so much for our nation is being disregarded in a way, as General Foulkes puts it, never equalled since Hitler?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, among the advice I have been taking is that of General Foulkes who, in an article in the Toronto *Star* some time ago, said that we should unify the armed forces of Canada and put them in one uniform. I have not seen the articles mentioned but I will read them with interest.

EXTERNAL AFFAIRS

SUGGESTED CANADIAN PARTICIPATION IN EXECUTION OF GERMAN WAR PRISONERS

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Last Friday the Leader of the Opposition asked a question with respect to an article which had appeared in the West German newspaper *Der Spiegel*, where two allegations of particular concern to Canada were made.

The first of these was that the allies had completely abolished all courts martial in the German forces so that those officers who

purported to act as a German court martial did so completely without jurisdiction. The German personnel concerned were not prisoners of war but disarmed troops who, on surrender, were to be disbanded.

The surrender orders signed and dated on May 5, 1945 held the German commander responsible for the discipline of his troops. At this juncture it does not appear there were any restrictions placed upon the Germans as to carrying out their normal legal processes. Restrictions on German disciplinary procedures were contained in military law No. 153 which was said to be effective on the date of its first promulgation. These were not received by the headquarters, 1st Canadian Army until the afternoon of May 14. The executions were carried out before this military law was promulgated to the headquarters of the First Canadian Army.

The second and perhaps more serious allegation was that one of *Der Spiegel*'s sources of information stated that the trial and execution of the two men was Canadian inspired. This allegation is completely without foundation. Canadians were informed that a court martial was to be held and indicated that this would be in order, but upon finding out that the two men, if found guilty, were to be shot, informed the German officer that he was only to proceed with the court martial. Immediately following the court martial, when the sentence of death was pronounced, a message was passed to the headquarters of the 1st Canadian infantry division advising of the situation and asking for instructions. This message was passed by the Canadian division to German 30 corps and in less than three hours a reply was received from the 30 German army group that the chief of staff had approved the sentences and they informed their Amsterdam command accordingly. The 2nd Canadian infantry brigade was informed of the effect of this message.

From our investigations, Mr. Speaker, I am satisfied that both these allegations contained in *Der Spiegel* are completely without foundation.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Canadians will be happy to hear that. I asked my question in anticipation of an assurance that there had been no wrong doing. The minister mentioned that the chief of staff had approved the executions. What chief of staff?

Mr. Hellyer: The German chief of staff of the 30 German army group.

TRANSPORT

SUGGESTED CHANGE IN JURISDICTION OVER GRADE CROSSINGS

On the orders of the day:

Mr. Raymond Rock (Jacques-Cartier-Lasalle): I have a supplementary question for the Minister of Transport with regard to the tragic accident at Dorion and another the following day at Pointe Claire. Since the initiative in separating grade crossings is left with the municipalities and provincial road departments, and since the federal grade crossing fund provides 80 per cent of the cost, up to $500,000 toward each new grade separation, would the Minister of Transport look into the possibility of having the Board of Transport Commissioners initiate, plan and execute these works in the future rather than leaving it up to the municipalities and the provincial departments?

Hon. J. W. Pickersgill (Minister of Transport): There is before the committee on transport at the present time, as my hon. friend is aware, a transportation bill which deals with the grade crossing fund. I hope the hon. gentleman will raise his question in that committee where there will be a better opportunity of considering its implications than is available to us on the orders of the day.

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, is the Minister of Transport aware of the fact that the Board of Transport Commissioners is now granting an extension of the time limit provided for in certain orders making it compulsory for some railways to instal automatic protection signals at some railway crossings? If so, who will be responsible for the eventual deaths resulting from these time extensions?

[*English*]

Mr. Pickersgill: I will be glad to look into that question though, of course, it does not arise in connection with this regrettable case, because the signals were there on the site on this occasion. What we want to find out is whether they worked effectively.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I put a supplementary question?

Excuse me if there are several questions, but this is because the emergency debate has been waived.

Inquiries of the Ministry

I would ask the Minister of Transport whether it is his intention, in the course of this investigation, to make sure that this commission will operate in such a way as to allow witnesses to put before the commission their grievances against all railway crossings in Canada and that it will hear the suggestions that may be put forward?

[*English*]

Mr. Pickersgill: It is the intention of the Board of Transport Commissioners to hold a public inquiry with respect to this particular accident as soon as the investigatory work has been completed. At such an inquiry any witness who had anything to contribute either in the way of evidence or, I would imagine, any suggestion to offer in that context would of course be heard.

As for the particular question raised by the hon. gentleman, we all know he is very much concerned about an accident in his own constituency in which four lives were lost. I believe the broadest possible inquiry should be held into all these cases, because it is just as regrettable to have four lives lost as it is to have a larger number lost.

Mr. Raymond Langlois (Mégantic): Will the Minister of Transport also inquire into an accident which happened a mile or so down the track, this time involving a C.P.R. train; in this case the passengers had time to get out of the car which was hit. The train was caught between red light signals and the gates a little farther down. Would the minister inquire into this?

Mr. Pickersgill: Yes, Mr. Speaker.

TRADE

POSSIBLE IMPORTATION OF FISHING TRAWLERS FROM POLAND

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I have a question for the Minister of Trade and Commerce arising out of the fact that while he was on his travels in Poland officials there discussed with him the possible sale of Polish fishing trawlers to Canada. Will the minister assure the Canadian shipbuilding industry that no action will be taken by the government which would be detrimental to its interests?

Hon. Robert Winters (Minister of Trade and Commerce): I do not think the hon. member need fear that such transactions are imminent.

Inquiries of the Ministry

Mr. MacEwan: May I ask the minister responsible for shipbuilding subsidies whether he will give an undertaking to the shipbuilding industry of Canada that no change will be made in the present subsidized building program which means so much, especially in the Atlantic area?

Hon. C. M. Drury (Minister of Industry): I think the hon. member is aware that legislation outlining the new subsidy policy has already been proposed in the house by way of resolution. This will be the law.

POWER

COLUMBIA RIVER—REQUEST FOR FEDERAL ASSISTANCE IN DAM CONSTRUCTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In order to satisfy the curiosity of a number of people in British Columbia, including many supporters of the Prime Minister's party, I should like to ask the right hon. gentleman this question. Did Premier Bennett recently ask the federal government for financial assistance in building the dams on the Columbia under the terms of the Columbia river treaty and, if so, what was the government's response to this request?

Right Hon. L. B. Pearson (Prime Minister): I am aware of no such request and I would be surprised if one were made, because there is no place for such a request in the Canada-British Columbia agreement on this matter.

PUBLIC SERVICE

REPRESENTATIONS RESPECTING RELIEF FOR RED CIRCLED EMPLOYEES

On the orders of the day:

Hon. R. A. Bell (Carleton): May I ask the Secretary of State in her capacity as rapporteur for the Civil Service Commission to tell the house what consideration the commission has been giving to the demand made last Friday by the staff conference for immediate relief of red circled civil servants?

Hon. Judy V. LaMarsh (Secretary of State): I will ask my colleague the president of the Treasury Board, who is responsible for this aspect of the civil service, to answer that question.

Hon. E. J. Benson (President of Treasury Board): The matter of red circling is a long and involved one. My understanding is that the staff-side conference in dealing with the Civil Service Commission has agreed that the position with regard to red circling should be looked at as of December 31 of this year, by which time it is hoped that a great many people who are presently red circled will be out of that category, having been moved into other categories by their departments.

Mr. Bell (Carleton): As a supplementary question, is the minister saying there will be no relief for red circled civil servants before December 31 of this year?

Mr. Benson: On the contrary, Mr. Speaker, relief is taking place every day as departments are trying to take people out of red circled positions and move them into positions that are not circled.

COMMITTEE CONSIDERATION OF REPORT ON POST OFFICE DEPARTMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the submissions that have been made to him by the Letter Carriers' Union of Canada and the Canadian Union of Postal Workers that the joint parliamentary committee on Bill C-170 should not complete its sittings until it has received the Montpetit commission report, and that these unions be given an opportunity to make further representations, can the Prime Minister assure the house that he will accede to this request?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have been informed that this report should be available later this week or early next week, so I think there is no danger of the contingency to which my hon. friend refers.

TRADE

WHEAT—POSSIBLE FURTHER SALES TO MAINLAND CHINA

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. In view of the fact that the assistant commissioner of the Canadian Wheat Board has arrived in Peking, has the minister anything to report on behalf of the government regarding the possibility of further wheat deals with China? I know the minister does not speak for the wheat board, although I believe he should, but perhaps he could advise me what weight to give to this report.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I have no comment at the moment.

LABOUR RELATIONS

STATUS OF DISPUTE BETWEEN UPI AND WIRE SERVICE GUILD

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of Labour. What is the present status of the federal board of conciliation in the dispute between the United Press International and the Canadian Wire Service Guild?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, this dispute between United Press International of Canada and the Canadian Wire Service, a Canadian local of the international union is now before a board of conciliation. The two sides agreed upon the chairman. The information given me is that the board was to have held its hearings on Thursday and Friday last. I have received no word to the contrary, and I expect to receive its report when it has completed its consideration of the matter.

NATIONAL DEFENCE

INQUIRY AS TO BRIEF FROM NAVAL ORGANIZATIONS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Has he yet considered the brief submitted by the Navy League of Canada, the Canadian Naval Association and the Naval Officers' Association and, if so, would he give immediate consideration to referring that very responsible brief to the standing committee on national defence?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I regret very much that I have not yet had time to read it in full, but I do suspect that if the committee, when it meets to consider the proposed legislation, wishes to consider the brief and summon any of the persons responsible for preparing it, that will be something completely within its jurisdiction.

Mr. Diefenbaker: Why not now?

Mr. Lambert: You are afraid of it.

RIVERS, MAN.—REPORTED INTENTION TO CLOSE TRAINING CENTRE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Is he now in a position to inform the house when and where the meeting will take place with respect to the continuing role of the air training centre at Rivers, Manitoba?

Hon. Paul Hellyer (Minister of National Defence): I am not, Mr. Speaker. An undertaking has been given to meet with officials from the province of Manitoba. I cannot tell the time or place, but I know we are available to meet with them almost any time they wish to come.

Mr. Dinsdale: As a supplementary question, when a date has been set would the minister inform me.

Mr. Hellyer: I shall be pleased to let the hon. member know.

COAL

NOVA SCOTIA—INQUIRY AS TO OPENING OF NEW MINE

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources based on the Donald report which was tabled today. In view of the fact that the initial policy announced a year ago on October 3, 1965, by the then minister of labour was in favour of the opening of a new mine at Lingan, which he said would constitute an essential part of the new program, and in view of the fact that this was reiterated by the now Minister of National Health and Welfare on October 3, 1966, in Cape Breton, and in view of the fact that the Donald report says that the opening of a new mine—

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): —should not be undertaken—

Mr. Speaker: Order, please. Would the hon. member kindly pose his question? He cannot preface a question with a speech.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I was just laying a foundation for the question and also trying to make it easier for the minister. Finally, in view of the fact that Dr. Donald has said—

Mr. Speaker: Order.

Mr. Muir (Cape Breton North and Victoria): —that the opening of a new coal mine at Lingan should not be undertaken—

Inquiries of the Ministry

Mr. Speaker: Order, please. The hon. member may make it easier for the minister but he is making it more difficult for the Chair, and I would ask him to pose his question.

Mr. Muir (Cape Breton North and Victoria): Thank you, sir. Can the minister now advise if a new mine is going to be opened at Lingan, Cape Breton, and how soon?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, the procedure following the tabling of the Donald report is to allow further discussions to take place and representations to be made to the government in the coming weeks. The government will bring down its policy in due course.

Mr. Lambert: What about the announcement by the Minister of National Health and Welfare?

Mr. Muir (Cape Breton North and Victoria): As a supplementary, may I ask the minister this question. Are we now going to be faced with a commitment made by the Minister of National Health and Welfare which is not going to be kept?

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): I repeat the question—

Mr. Speaker: Order, please. I would bring to the attention of the hon. member that we are almost running out of time and a number of other hon. members still want to ask questions. I would ask his co-operation to allow the Chair to recognize other members. Has the hon. member a quick supplementary?

Mr. Muir (Cape Breton North and Victoria): On a point of order, since approximately 2.30 I have been trying to get the floor. This is a very important subject to our area, just as important as the question of dairy producers and butter production. I am not so small that I cannot be seen—

Mr. Speaker: Order.

Mr. Muir (Cape Breton North and Victoria): Now I am asking—

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): Other members have been allowed to advertise the Liberal convention—

[Mr. Muir (Cape Breton North and Victoria).]

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): This is an important question.

Mr. Speaker: I recognize it is a very important question, and I am sure the hon. member will recognize that a number of important questions have been asked and that there are still a number of hon. members who have not had an opportunity to be recognized. This is what the Chair is trying to do before 3.42, which is just two minutes away.

Mr. Douglas: As a supplementary—

Mr. Speaker: Order. If there is to be a supplementary it should be by the hon. member for Cape Breton North and Victoria. I recognize that hon. member.

Mr. Muir (Cape Breton North and Victoria): Thank you so much, Mr. Speaker. The minister has said that representations are going to be made to the government. Since the first announcement about this matter was made a year and some days ago, how much longer are we to wait for action to be taken? A sum of $25 million was guaranteed by the former minister of labour, and also the opening of a new coal mine at Lingan.

Mr. Pepin: Mr. Speaker, may I say this problem has been with us for quite a number of years, I think since 1937.

Mr. Muir (Cape Breton North and Victoria): But you had all the answers.

Mr. Pepin: I believe we are now moving toward a solution.

INDUSTRY

ONTARIO—REQUEST FOR REPORT ON BOYCOTT OF SUPERMARKETS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in the absence of the Registrar General I would like to ask the Prime Minister if he can give us a report on the housewives' boycott of the supermarkets in Ontario.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I am not in a position to do that now, but I am following this boycott very carefully.

FISHERIES

INQUIRY AS TO ENFORCEMENT OF 12 MILE LIMIT

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I wish to direct a brief question to the Secretary of State for External Affairs. Is he in a position to say when all foreign fishing vessels will be excluded from the waters within 12 miles of our coasts?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the negotiations we are having will take on a new turn when we meet with the United States negotiators here this Monday.

CAPITAL PUNISHMENT

ACTION OF CABINET IN COMMUTING SENTENCES

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question I wish to address to the right hon. Prime Minister. Speaking in the house on August 31 in respect of the maintenance of railway operation bill, as reported at page 7909 of *Hansard*, the Prime Minister said that when the will of parliament is expressed by legislation the law abiding citizens of Canada will observe the will of parliament. I should like to ask him, does the cabinet not observe the Criminal Code and the law with regard to capital punishment, as it appears in the Criminal Code and as sustained by a vote in this house last April?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker; and when a jury makes a recommendation for mercy it has invariably been accepted in the form of commutation by the government.

Mr. Cowan: I have a supplementary question, Mr. Speaker. In respect of the second last commutation there was no recommendation for mercy.

Mr. Pearson: That is not true, Mr. Speaker.

Mr. Cowan: You will not get away with that.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

The house resumed from Friday, October 7, consideration in committee of Bill No. C-218, to provide assistance to livestock feeders in eastern Canada and British Columbia—Mr. Sauvé—Mr. Batten in the chair.

On clause 15—*Canadian Livestock Feed Board Advisory Committee.*

Mr. MacDonald (Prince): Mr. Chairman, I rise to speak again on this matter and I beg the indulgence of the committee in doing so, realizing I have indicated already on one or two occasions my thoughts with regard to this particular clause. I feel that in many ways this is one of the most important, if not the all-important clause in this bill in terms of its effectiveness in implementation, because I think if we fail to grasp the proper purpose of this bill, which is related to the power and quality of the advisory committee, then we endanger the very purpose of, and the very hope for, an effective bill. That is the reason I am somewhat disturbed that the advisory committee is painted for us, through the various subclauses of clause 15, as being a very ineffectual instrument, at least in my view.

It will be noted that in this bill we are seeking to establish a board which will consist of three to five members. As I indicated before we must expect, since these will be full-time members and since the problems with which they will deal will be very complex, that the persons who will be on the board will of necessity, I think, be people who would be described as experts. They will reside in Ottawa and they will, if you like, view things from a bureaucratic point of view. It is very important for the implementation of this bill that they do this. That is why I think that in the wisdom of those who have drawn up the bill they have decided it was fundamental to the implementation of this program that there be an advisory committee, but I would hope it would be an advisory committee that would mean something.

When I think of an advisory committee that would mean something, I think of an advisory committee which has an independence of judgment and has information available to it which is not just information given to it by either the board or the responsible minister. I think of it as a committee with close ties with the various interested groups such as the Federation of Agriculture, the various poultry, dairy and beef producers and others, even those who are trying to increase their own grain business either in eastern Canada or British Columbia.

I think of this advisory committee not as just a group of people who may or may not come from different regions; I think of it as being comprised of people who have a very close tie with organizations which are close to the grass roots situation. I think too of the advisory committee having members who are able to speak freely to and on behalf of the area they represent. These are things I would expect to see in an advisory committee. I would not like to see an advisory committee appointed comprising a number of people, 7 or 11, who will be paid a very nice daily allowance plus travel fees, who will meet perhaps two or three times a year in Ottawa, who will accept without question what the board or the minister tells them and who will issue very functional and pleasant statements once a year which will give some description of what their activities have been.

I for one feel that if we are to have an advisory committee at all which will mean anything we have to build it into the various subclauses in clause 15. I think we will have to say something very specific about the availability of some kind of staff for the advisory committee and in particular the availability of some kind of research and independent information facilities. I think we also have to indicate that the various people who are proper to be members of this committee should in some way represent the important agencies which are caught up in this great problem. It may not be possible to designate that, say, the Federation of Agriculture have an appointee, but this would be one of the happiest solutions. There must, however, be some recognition of the close ties that will exist between this committee and the organizations which have a real stake in the question of increasing the availability of grain and supplying it to the producers.

I think we have to state very clearly that the committee is free to examine questions of its own choice. In my view this is not stated clearly enough. In subclause 6 it says that only matters referred to it by the minister or by the board are acceptable for consideration. I think the committee should be able to decide on its own what particular avenue or aspect it wants to investigate. Finally, I think we should add at the end of subclause 6(b) something to the effect that this committee shall publish information and conclusions on a regular basis so that producers in the eastern and western parts of the country can know what are the real facts. We have an example right now of an impasse in the great misunderstanding which exists between some of the officials and private industry in respect of the new rates. Some of the local producers have been meeting last week and this week to sort out what they mean.

I think we need a real advisory committee which will mean something and not be like a shadow of what the minister may decide. I think we should build these things into clause 15. It may be that over the week end since Friday the minister has been able to consider my statement in this regard, consult with his advisors, and is now able to make available to us this afternoon some means by which these things may be brought about. If not, I will be ready to make various amendments which I feel are important to this clause of the bill.

• (3:50 p.m.)

Mr. Sauvé: Mr. Chairman, on Friday I did not have an opportunity to answer the suggestions of the hon. member. His proposal is to establish a second board. We have one board and we have an advisory committee. I feel that the powers of the advisory committee are sufficient. I informed the house last Friday that this committee would work, *mutatis mutandis*, on the same basis as the Canadian council on rural development which works I think to the satisfaction of all concerned. I do not see how we can improve on clause 15, particularly when we compare it with the ARDA legislation containing only two paragraphs in respect of the council on rural development. I am quite satisfied that the intent and the wording of the bill are sufficient for the establishment of an advisory committee for the purposes explained. Surely we cannot have two boards doing the same work. I do not think we can improve on the intent of this bill by implementing what the hon. member has suggested.

Mr. MacDonald (Prince): Mr. Chairman, I am somewhat amazed by the minister who seems to think I have suggested the establishment of two boards. Because of the complexity of the situation we need an advisory committee that means something. If he is thinking of an advisory committee with the ability to look at the situation objectively but which is not going to have any power, then he does not want an advisory committee at all. Perhaps he is thinking of a group of people who will somehow placate the many who disagree with the decisions of the board.

The need for an advisory committee should be obvious under present circumstances. We are dealing with a very complex problem and certainly no one on Friday tried to minimize the complexity of the factors that will have to be taken into account. The very fact that economists and other experts of one kind or another have declared the need for new criteria under which eastern freight rates on grain must be administered is an indication of this need. It takes many weeks for those who are using these rates to understand and interpret them in order to realize whether or not they are being exercised fairly.

If we are to make the best use of the terms that this plan will provide, if we are to make the most adequate use of the resources of the people who are involved on a day to day basis, not from the standpoint of administering a program here in Ottawa but from the standpoint of the people who are trying to make the best use of the program, whether they live in the rural areas of New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland or British Columbia, it is important that some objective body be established which can advise the minister, the board and the people who may be concerned.

If what I suggest is not the case, then what kind of an objective look could be taken at this program, apart from an examination and criticism by those who may not be able to obtain the necessary information in order to come to an efficient and honest judgment? I think an advisory committee is necessary in light of the fact we are dealing here with a program regarding an effective method by which adjustments should be made in various areas. It is certain that we cannot lay down in very simple terms a program that is going to apply with equal fairness to southern Ontario, for example, and to some part of Newfoundland. Who is going to provide the necessary interpretation to the board in order that it can make the right kind of adjustment allowing the program to be administered fairly and with equity of opportunity?

The kind of thing mentioned by the hon. member for Medicine Hat last week is vitally important in this area and I do not think we are going to obtain the desired result unless we are prepared to establish a group of individuals who will have an independence of judgment and the information necessary to make independent judgments. I am not suggesting that we establish a group with decision-making powers or the administrative powers which will be left with the board.

Certainly I am not suggesting that we establish a second board, but I do suggest that the advisory committee must be such that it will have some meaning and will encourage the farmers and producers to realize that they are obtaining the services of a board in terms of storage or transportation rate adjustments on the soundest basis possible.

While I mentioned on Friday that I hoped something similar to the rural development council would be instituted, on again reading the provisions establishing that council I must admit I have had some second thoughts. Therefore I certainly would not regard that council as some kind of standard to be followed in inaugurating this advisory committee at this point.

Mr. Sauvé: I really do not see what I can add to what I have said. Clause 15 of the bill is clear in that it gives the advisory committee a number of powers. This will be a body similar to the Canadian council on rural development. If the hon. member insists that he is not satisfied with that kind of a council, I can only repeat that what he wants is another board. I cannot accept any modification of this clause which would implement what the hon. gentleman wants.

Mr. Langlois (Mégantic): The minister seems to be somewhat satisfied with clause 15 as it now stands. It does provide for the establishment of an advisory committee. There is no agreement as to the need for such a committee. Our fears are not related so much to the question of who will be appointed to the board as to the question of who should not be appointed to it. An advisory committee such as the one envisaged will present opinions to the board which from time to time will be accepted. There should not be in a bill such as this any kind of opening which would permit the appointment of unscrupulous speculators.

Clause 15, subclause 6, paragraph (a) states that the committee will study and review all matters relating to feed grain transportation, storage, prices and consumption which are referred to it by the minister or by the board. Surely that covers the whole program. I am strongly opposed to any possibility of the appointment to this committee of individuals who are now brokers or members of the Montreal, Winnipeg or Toronto grain exchanges. Let us specify that the members of this committee shall not be individuals who are already selling grain or in the business of

transporting it. In order to avoid the possibility of any conflict of interest on the part of the members who will constitute this committee, let us spell out that it shall be composed of individuals representing organizations like the U.C.C. or farm co-operative organizations of any kind so long as they are not now in the business of buying, selling or transporting grain.

We have all observed such a conflict of interest in the Wheat Board which has on occasion asked the brokers to indicate what prices will be. The Wheat Board has given brokers the opportunity of selling grain which it bought from western farmers. This is the type of thing we do not want to take place. Speculators might give false reports which the board would rely on and it would be a long time before the resulting mistakes could be corrected.

Let me repeat that we are not as concerned with who is appointed to the board, as with who is not appointed to it. There should be some amendment in respect of this clause dealing with the advisory committee to prevent the possibility of what I have suggested happening. There should be no opening which would allow a speculator in this field to become a member of this committee. Such an occurrence could ruin the effectiveness of the program we have in mind.

• (4:00 p.m.)

Who is going to be on the receiving end again? It will be the eastern farmer or the British Columbia farmer who will still be wondering what is wrong with his prices and why things are not as they should be.

The board might have its own opinion but most of the time it will follow the advice of the advisory committee. This committee should be at least independent of what we might call the commerce of feed grains. The U.C.C. should have its representatives on the committee. The advisory committee should also consult people who do at the moment or will in the future handle grain, who are in the transportation business, the storage business, the selling business or are millers of any kind. It should be the task of the advisory committee to go out and see these people, obtain their views, grievances and opinions, as well as those of the farmers, and draft a report for the board. I want the minister to assure the house that there will be no conflict of interest in the advisory committee in this regard.

[Mr. Langlois (Mégantic).]

Mr. Patterson: Mr. Chairman, could the minister indicate to the committee just what procedure will be followed in the appointment of the members of this advisory committee. Is it to be on the recommendation of the various farm organizations of the areas concerned, or just what procedure will be followed?

Mr. Sauvé: Mr. Chairman, we will follow the procedure adopted with regard to the Canadian council on rural development, namely, consult the various organizations and ask them to submit one, two or three names. Then we will decide on the appointments to be made from the people recommended by the various organizations.

Mr. Herridge: Mr. Chairman, the members of this group are very concerned about the composition of the advisory committee. That is why when we were last considering this clause I asked the minister who would comprise the advisory committee. If I remember correctly, the minister said that it would be composed of representatives of the farmers organizations in Canada. With that assurance we thought that the farmers' organizations were quite capable of bringing to the attention of the minister any suggestions or recommendations they might have with respect to the administration of the board. In order to assure members on this side of the house what the composition of the committee is likely to be, would the minister mind repeating what he said with regard to those he intends to appoint to the advisory committee?

Mr. Sauvé: As I said in answer to the hon. member's question of last Friday, as reported at page 8496 of *Hansard*:

> They will be appointed on a regional basis and will represent farm organizations.

I said we would seek the advise of the farmers' organizations, ask them to submit one, two or three names and then select people from the names submitted to us.

Mr. Langlois (Mégantic): I quite agree with that so long as it is the farmers' organizations who submit the names. If the farmers' organizations were to submit lists of names it would prevent any come-back in the future and somebody saying that the people appointed to the committee were just a bunch of political hacks.

Mr. Sauvé: I would point out, Mr. Chairman, that it is not the board that will appoint members to the advisory committee; it is the

minister. If we can judge by the past, members of this house have been satisfied with the appointments to the Canadian council on rural development. I hope that because somebody is connected with a political party he will not be barred from appointment to any advisory committee or board. All we are concerned about is that he has the qualifications for which we are looking.

Mr. Kindt: Mr. Chairman, the more one looks at the function of the advisory committee as set forth in the bill, the more one is led to the conclusion that this committee is not needed at all. Of what use will it be? It will have no powers. It can only operate under powers given to it by the board. As the minister or anyone else who has worked on boards knows very well, the information of the board itself will be far greater and more penetrating than any information this advisory committee might obtain.

The minister says he is going to pick outstanding men to serve on the committee. Why? Is it to rectify the inadequacy and inefficiency of the members of the board? It is they who will make the decisions, and they should not hide behind an advisory committee. I believe that the advisory committee will degenerate into something upon which the board will lean, and the advisory committee will take the blame rather than the board with respect to decisions of a controversial nature affecting people on the producers' or consumers' side of the grain business.

I see no other reason for this advisory committee being established and no other useful purpose it could carry out. I think the minister has in the back of his mind appointing some kind of committee that will give advice and so on to the board, which is the body that will be charged with administering the act. I fail to see why the board could not of its own volition get on the telephone and contact somebody in Winnipeg in the grain marketing agencies, or anyone else, when it wished to obtain information. We do not need the setting up of an advisory committee to do this.

The committee as set forth in the bill is nothing more than a cover-up for what the minister anticipates will be the shortcomings of the board. The purpose is to make it appear to the people of Canada and the primary producers that the minister and the board are doing a good job and have had the benefit of the advice of an advisory committee. I say this is a cover-up and this type of provision should never have been included in clause 15 of the bill. There is no need for this provision in the bill. It is a waste of public money and should be eliminated.

Mr. Sauvé: Mr. Chairman, I am at a loss to understand how two members of the same party can reconcile their views. The hon. member for Prince said that this advisory committee is not competent enough or large enough to have the authority he wants it to have, and the last speaker said that the advisory committee is a waste of time and money. Therefore I am really at a loss to see how I can accommodate both members of the same party who have completely contrary views.

With regard to the remarks of the last speaker, there are many advisory committees to boards and other agencies of the government appointed. I do not recall any agency of the government using the advice of its advisory committee to hide behind. In my experience, and it is a very limited one, the Canadian council on rural development and a number of other councils have worked very well. We have a good ARDA administration. These bodies co-operate in an ideal way, and we have found it to be very helpful to have a good advisory committee which is critical of the work being done.

• (4:10 p.m.)

I would hope that this advisory committee would assist the board, which will consist of three to five members, to do its work. I do not see any contradiction between this advisory committee and the board, and I would like my two hon. friends to reconcile their views if they have anything to add to clause 15.

Mr. Kindt: Perhaps I can help to clarify the statement made by the minister following his suggestion that such an advisory committee would be useful in helping the board to do its work. How would it be useful and in what work? What would be the work of the advisory committee? There is to be an advisory group which is to be made up of farmers and producers, similar to the board, but there is no point in establishing a committee which would do the work assigned to the board. They cannot undertake any other work nor can they recommend that any other work be done by the board except that which is referred to it. What sort of an advisory committee will it be when it cannot recommend anything to the board other than what is referred to it? They will be nothing else than yes men, and that is probably what the

minister has in mind as being the proper function of this advisory committee. The minister can call this body useful but its usefulness would be for something else that the minister has in mind.

Mr. Sauvé: Mr. Chairman, I am sorry the hon. member for Macleod left the debate Friday afternoon because we discussed this advisory committee at length at that time. May I ask him a question? Is he satisfied with the advisory committee which was set up to assist the Canadian Wheat Board?

Mr. Kindt: The committee which was established, to which the minister refers consists of representatives who take an active part in performing their duties which are not limited to matters referred to them. They can give advice on any matters, not only those that are referred to them. I wish the minister would look at the Canadian Wheat Board Act and read the functions of the advisory committee which is working in conjunction with the Wheat Board.

Mr. Stewart: I think perhaps the hon. member for Macleod may not understand the problem that confronts the farmers in the eastern part of Canada.

Mr. Kindt: I know of the problems in the western part of Canada.

Mr. Stewart: I am speaking of the areas to which this board's work will apply most directly. Our farmers and farmers' organizations have been very concerned about the administration of the prevailing regulations. They have asked many questions about it. As I understand the purpose of the provisions in this bill regarding the advisory committee, it is to assure that there will be a formalized two-way means of communcation between these agricultural groups and the board. I think it is important in relation to this very complicated matter that any uncertainty and any suspicion that our farmers may have should be eliminated as soon as possible, that as much information as possible should be disseminated among the people for whose advantage this bill is being enacted. I do not think the farmers of eastern Canada, from whose organizations the advisory committee will be drawn, really deserve the appellation, yes-men. I suspect that would not be true of farmers in western Canada either. I think this advisory committee is a necessary link between those who will be served by the board and the board itself. If the hon. member for Macleod had been doing what I have done, which was to seek information on a very complicated matter on which I have little or no professional competence, I think he would now understand why this advisory committee is so attractive and, indeed, so necessary.

Mr. Kindt: May I ask the hon. member what he would do if problems came up that needed the immediate attention of the advisory committee but were not referred to it by the board? The committee would then have no power whatsoever even to bring those matters to the attention of the board. The advisory committee is supposed to grapple with problems on which decisions will be made by the board which they will only have to rubberstamp for the benefit of the consumers and producers. If they can only handle those matters that are referred to them, I do not see how this body can function in seeking solutions to the problems of which the hon. member spoke. The hon. member said that there are lots of problems in his area which he would like to see solved by this body and yet anyone connected with farming or feeding would have no power whatsoever to say to this committee: "Will you recommend this? Will you bring this matter to the attention of the board? Will the committee consider bringing in a recommendation to the board?" He would not be permitted to do it. Therefore, how will this body function to meet the problems the hon. member mentioned and to meet the problems of the farmers of western Canada?

Mr. Baldwin: May I ask the hon. member for Macleod a question? I wonder whether the hon. member could not be brought to see the use of this board, having in mind the erratic and peripatetic perambulations of this government and that the more advice they can get the better off they are, consequently, the more advisory boards there are to assist this government, the more hope we have that it will get on to the main stream of the business of the house.

Mr. Kindt: I shall be glad to concur in what the hon. member has said. I think there would be some merit in this proposal if it were only on that basis that we were giving it consideration.

Mr. Stewart: May I deal with the penultimate hon. member's question by asking a question addressed to the minister? The

clause before us contains a subclause which states:

> 3. The advisory committee shall meet at least once a year at the headquarters of the board, and at such other times and places as it deems necessary in order to carry out its duties under this act.

Further on, subclause 6 reads as follows:

> 6. It shall be the duty of the advisory committee (a) to study and review all matters relating to feed grain transportation, storage, prices and consumption that are referred to it either by the minister or by the board;

My question to the minister is whether it should be our understanding that the only matters that properly can be taken up by the advisory committee at its regular annual meeting or at the other meetings which undoubtedly will take place between the annual meetings will be those referred to in clause 15 (6) of the bill?

Mr. Sauvé: Mr. Chairman, that is the minimum they will have to do. They have an obligation to do at least that and, as I said on Friday, this committee will be established on the same basis as the Canadian council on rural development. It will have about the same power to examine and make reports and recommendations and to give advice not only on problems which are referred to the committee by the board but on all other matters because subclause 6 of clause 15 establishes the minimum duties of the board. There is a compulsion for the committee to do that much at least, so I do not see what the hon. member for Prince is driving at in his argument. This committee has all the necessary powers the hon. member is proposing today or was proposing on Friday. I think we could adopt this clause as it stands now.

• (4:20 p.m.)

Mr. Kindt: This is an advisory committee. There is a duplication inherent in what the minister has said. The advisory committee is to undertake studies and the board also is to undertake studies. There is going to be a duplication of staff making these two types of studies. Why saddle the taxpayers with this additional cost of bureaucracy? If the advisory committee desires certain information, why could it not draw upon the staff of the board and the information compiled by it rather than have a duplication? The advisory committee, if it is going to make all these studies, will have to have a staff of 10, 15 or 20 people digging into particular items. The board itself will have to have a similar number of people digging into these items.

It seems stupid, and it is stupid, to pass legislation requiring this type of duplication and waste of the taxpayers' money. We are setting up something for the board itself and the minister to hide behind rather than assuming their responsibility. This parliament wants the board and the minister to take the responsibility, and not have the minister rise in his place at some later date and say it was the advisory committee that was responsible for something. The committee can be used as a red herring to draw across mistakes, actions and decisions that are rightfully those of the minister and the board.

Mr. Sauvé: May I ask if the hon. member for Macleod has come to an agreement with the hon. member for Prince about the advisory committee? I am lost because they have two different positions.

Mr. Douglas: There is no doubt in my mind about the value of having an advisory committee. The board becomes an administrative body and there must be some channel through which the producers and others who are affected by the program envisaged in this legislation can have access to the board to present their views so that the committee can make the various studies required and forward its recommendations to the board or to the minister. I think that an advisory committee to this board will fill much the same functions as the advisory committee to the wheat board, which is a very useful avenue of consultation. It provides a two-way street for the exchange of views and it provides the persons who are concerned, in the case of the wheat board, the producers, and in the case of this legislation, the feeders, with machinery whereby they can from time to time place their views before the board.

However, if this board is to be effective it seems to me there are two things that are giving hon. members some concern. I mention them only briefly. The first is the composition of the committee. I do not know whether the minister wants to write it into the legislation—it would be satisfactory to me if we had the minister's assurance on the record—that the persons selected for the advisory committee will be taken from a list of individuals nominated by farm organizations. I have had some experience with watching people being appointed to boards and advisory committees. It is often said that the person in question is selected from a farm organization. It is a very different thing to have someone selected

from an organization and to have someone selected who is a nominee of that organization.

I submit that farm organizations, such as the Farmers Union, the Federation of Agriculture, the Livestock Feeders Association and other groups, will feel much better if the person they have in mind as their spokesman is selected rather than have the minister simply reach into that organization, select an individual and put him on the committee. From the minister's own viewpoint it is better because the minister knows then he has a person who is going to assume some responsibility not only for expressing the views of that organization but for going back to that organization and explaining the program which the board is carrying out. From the minister's viewpoint, therefore, the personnel of this advisory committee become a two-way street, explaining to the minister and the board what the organizations want and explaining to the organizations what it is the minister and the board are trying to do. I hope the minister will give the committee some assurance that these people will be selected from a panel prepared by the farm organizations directly concerned.

Mr. Sauvé: I agreed to this earlier and said we would ask a number of farm organizations to give us three names each. Then one of those would be appointed to the advisory committee. I think I said that in answer to one or two members.

Mr. Douglas: I was aware of that. If I may I should like to point out, however, that there are five or seven members to be appointed. I am not suggesting it is enough to allow a farm organization to submit three names and then select one who is going to be on a committee of five or seven. I should like to see the whole committee nominated by the various farm organizations.

Mr. Sauvé: Yes, I agreed to this procedure.

Mr. Douglas: The second point which I think is giving the committee some concern relates to subclause 6 which sets out the duties of the advisory committee. They are restricted. The subclause reads in part as follows:

> (a) to study and review all matters relating to feed grain transportation, storage, prices and consumption that are referred to it either by the minister or by the board; and
>
> (b) to report to the minister and the board, with any recommendations that the committee considers desirable, the results of each study and review conducted by it.

[Mr. Douglas.]

I am not suggesting the minister is trying to restrict the advisory committee. I am sure what the minister has in mind is that this committee will be able from time to time to make recommendations to him or to the board. However, when you are dealing with legislation someone is going to come along and say, this is beyond the purview of this committee; it has no terms of reference that allow it to make such a recommendation. I know what the minister is up against when lawyers start to draft something. They are very careful how they draft legislation. I am not trying to draft the legislation, but perhaps the minister would be prepared to have paragraph (b) of subclause 6 read this way:

> (b) to report to the minister and the board, with any recommendations that the committee considers desirable, the results of each study and review conducted by it and such other matters as it may deem expedient.

I think somewhere in its terms of reference the committee should have authority to make recommendations to the minister and the board outside of anything that has been referred to it. They do not have that power now. Some legalistic individual may raise this matter later and say to the committee: this is beyond your jurisdiction. The committee would be restricted to dealing only with such matters as were referred to it. I am sure that is not what the minister wishes if he wants a committee that is really going to keep him and the board properly informed as to the effectiveness of this legislation.

• (4:30 p.m.)

Mr. Sauvé: In response to a question from the hon. member for Antigonish-Guysborough I said my interpretation of the clause was that this was the minimum they had to do. A distinction had to be made with regard to the powers and duties of the advisory committee, and it is the duty of the advisory committee to do this much at least. Perhaps the clause could have been drafted differently but my interpretation—and I give this undertaking to the house—is that the advisory committee will have much more responsibility than that required of it as a duty. That is the strict minimum required of the committee. It can inquire into other matters and conduct other studies for the board or the minister as it wishes.

Mr. Douglas: The minister said that subclause 6 is the minimum required, but where is the maximum? I am asking the minister where in clause 15 or anywhere else in the bill it says that the advisory committee has

the power to make recommendations to the minister or to the board other than on matters referred to it by the minister or the board?

Mr. Sauvé: There is no limitation as long as the matter deals with the responsibility of the feed grain board. Why should there be a limitation? Either you have a clause which says that an advisory committee is to be set up to do anything it wants or the clause states that it has to fulfil a minimum duty. This advisory committee has a minimum duty to fulfil but nothing would prevent it from doing more as long as what it does relates to Bill No. C-218.

Mr. Douglas: I am not going to labour this, Mr. Chairman, any further except to say to the minister that the committee has a certain limited duty. So far as the bill is concerned the committee has no power to do other than what the legislation entitles it to do, and all it is entitled to do at the present time is to study and review matters referred to it and to report on those matters to the minister or to the board. It has no other powers or terms of reference.

Mr. Danforth: Mr. Chairman, on the same matter that has been brought to the attention of the minister, I understand the undertaking given by the minister that this is the minimum duty of the committee, and that is our understanding. However, that is not set out in the legislation before us. I wonder whether it would meet the wishes of the committee if the minister would accept an amendment to clause 15 (6) (a) in the following terms:

(a) to study and review all matters relating to feed grain transportation, storage, prices and consumption—

Then I insert the words:

—that it may deem necessary, together with those that are referred to it either by the Minister or by the Board;

This would remove the limitation in the proposed legislation and I believe it would grant this committee the powers under which the minister wishes it to administer its particular duties.

Mr. Sauvé: Which subparagraph is this?

Mr. Danforth: It commences at line 26 on page 7. May I read how the clause will appear in the bill with the amendment:

(a) to study and review all matters relating to feed grain transportation, storage, prices and consumption that it may deem necessary, together with those that are referred to it either by the Minister or by the Board;

Mr. Sauvé: This clarifies the intent and I have no objection to such amendment.

Mr. Langlois (Mégantic): Mr. Chairman, we have been discussing the advisory committee for a little while and the minister has clearly indicated whom he would like to see on the advisory committee. I as well as some other members would like to state our intentions with regard to those we would not want to see on the committee; then we would know who should be on and who should not. It is not that people may not be qualified to do the job but that they may sometimes be in a peculiar situation.

A while ago some members made reference to the Wheat Board and the minister asked one of the members about the advisory committee to the Wheat Board. I should like to see a wheat board advisory committee, but it all depends on which committee he is talking about. Is he talking about the one to which the Wheat Board has to refer to find out about future prices or the one limited to studying the production side of grain in western Canada or in the producing areas? The latter one is doing a pretty good job. The other one is doing a very good job too, though not necessarily as it affects the Wheat Board.

The Wheat Board guarantees the price and purchase of wheat from the western farmers, but there is also a lot of responsibility on the grain exchanges. To belong to the grain exchange you must be a broker. All of the grain sold by the Wheat Board is bought by brokers, so we are going around in a vicious circle. I am not happy about this part of the picture and I am trying to prevent it in this case.

The members of the advisory committee might be those who were buying the grain or involved in the transportation or marketing of grain. The minister has clearly indicated that these people will not be members and I take his word in that regard. But who is going to be responsible for this following the minister? If I knew he would be minister forever I would sit down because I would trust the minister. But he will not be there forever. This is why I want the good will of the minister to be put on paper.

I wonder whether the minister would accept an amendment to clause 15 (6)(a) which would insert after the word "and" the words:

—no members of this committee shall be permitted to have direct financial or business interests in the matters which this committee will have to deal with.

They are the matters which are referred to in the clause, namely:

—to study and review all matters relating to feed grain transportation, storage, prices and consumption that are referred to it either by the minister or by the board;

Mr. Muir (Lisgar): Mr. Chairman, before this amendment is entertained I should like to raise a point of order. The hon. member for Mégantic made a statement which is not in accordance with the facts. He said that the Canadian Wheat Board guarantees the price to the producer.

Mr. Langlois (Mégantic): Right.

Mr. Muir (Lisgar): That is not right. The Wheat Board pays an initial payment to the producer but the final payment is the result of the price received. I thought he might have left the impression that the western farmer was being subsidized to the extent that his price was guaranteed, and this is not so.

Mr. Langlois (Mégantic): If I might clarify that, I meant that the board guaranteed the initial price. What I am beefing about is: Who is the guy who gets the difference between the two prices? The price is the result of the state of the wheat market, and that depends on the grain exchanges and the brokers. This is what the president of the Wheat Board told me in committee two years ago. They are his words, not mine. I thank the hon. member for clarifying the matter.

The Deputy Chairman: Is the committeee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Danforth) agreed to.

• (4:40 p.m.)

[*Translation*]

Mr. Sauvé: Mr. Chairman, with regard to the amendment moved by the member for Mégantic (Mr. Langlois), I think first of all that he is not moving it at the proper time. He should wait until we reach paragraph 1 of clause 15. Second, I fail to understand who could sit on the committee, if members of the advisory committee must not have any financial interest. Since the farmers who represent farming organizations and who will sit on that committee very often go in for farming themselves, they indirectly have some financial interests.

To the extent that representatives of farming organizations will sit on that committee, it seems impossible to me that it could also include business representatives, for the very reason that conflicts of interest might arise. Therefore, I fail to see the necessity of an amendment such as the one you intend to move.

Mr. Langlois (Mégantic): I see the point which the minister is trying to make, namely whether that would imply farmers. I did not intend to imply feeders of eastern Canada. The consumer, properly speaking, is excluded. I mentioned "financial interest" in the field of grain transport, storage and sale. Now, it could be anyone in the agricultural field, but on no consideration would I like to see a farmer interested in the specific fields of grain transport, storage, sale, or milling appointed to that committee. It belongs to the committee to inquire of those people—in order to avoid a clash of interests. And I am not talking from the consumer viewpoint now.

Mr. Sauvé: I should like to give an example to the hon. member for Mégantic. Suppose a farmer has his own truck and picks up his grain at the elevator, in Montreal, Quebec or Trois-Rivières. Then, he is entitled to have a truck for his own purposes. Now, according to your definition or the limitations you set, he could not sit on the committee by reason of his being engaged in transportation, be it for himself or even for his neighbours. I think that you—

Mr. Langlois (Mégantic): Mr. Chairman, if he carries grain for his neighbours, he is in business and needs a special licence for that. If he carries grain for himself, then anybody can do that. One simply has to have a driver's licence and a truck licence and anybody knows that the farmer can carry goods if he has a truck licence, provided it is for himself. If he is engaged in a gainful operation, he needs a licence from the transportation board, which is quite another thing. In that case he is a farmer, but he is governed by the transportation board. But I mean all those directly involved, and that is why I referred to those directly engaged in transportation and storage under a special licence. I know such licence is necessary in business, even for farmers.

Some people hold two positions. Well, in that case, it cannot be helped; if they are moonlighters or if they have a profitable business going, they should not be allowed to sit on that committee.

Mr. Sauvé: Mr. Chairman, I believe this would only result in administrative red tape, and greatly narrow the scope of this clause. I assured the house that we mean to have representatives of agricultural organizations, and I cannot see why we should further limit the qualifications required of committee members.

Mr. Chairman, I know the hon. member for Mégantic means well, but I fear very much that he is asking for administrative limitations which would make it very difficult for us to form the advisory committee.

[*English*]

Mr. Fairweather: I share the minister's view. Not only would we be creating administrative complications but we would obviously be restricting the usefulness of the committee. The minister has given an undertaking that the committee will include representatives of farm groups. Of course they will have a financial interest. That is obvious. I hope the committee will not support the amendment of the hon. member for Mégantic. I should like to think there will be room on the advisory committee for knowledgeable people, practical people, as well as for those who have an academic interest in this subject.

Mr. Kindt: There is no doubt that the mover of this amendment has good intentions in mind but on reflection I think he would agree that this proposal would do far more harm than good. From the way in which it is worded, those with a financial interest whether directly or indirectly—

Mr. Langlois (Mégantic): No. Direct.

Mr. Kindt: I am one who is proud to be a farmer and as such I have a financial interest myself. I do not hope to be a member of this committee but there are thousands of others, 6,000 in my own riding, whose experience might well be valuable. Yet this would not be possible if the proposed amendment were adopted in its present form.

There is another point. The minister has told us that an effort will be made to represent the views of a cross-section of the various interests concerned. This seems to be only common sense. If we ask for advice on these important matters we want to hear someone talking straight from the shoulder and from experience. This would not be possible if we observed the qualifications laid down in the amendment. Provided it is an interest at some distance, I think we shall be obliged to seek the services of people who have a financial interest. I am sure the information provided by such a committee would prove far more helpful than would otherwise be the case.

• (4:50 p.m.)

Mr. Langlois (Mégantic): I quite understand the hon. member's point of view, as I drafted the amendment rather rapidly. However, its purport seems to have been missed. I do not want to restrict the farmer in any way. What I wanted to eliminate was anyone who would have a conflict of interest. I wish to restrict people who are strictly in the brokerage or transportation business. They are not really interested in farmers; they are only interested in the extra dollars they can earn.

However, the minister has given the assurance that he will keep a close eye on this and that farmers' associations will supply names of nominees for the advisory committee. On his undertaking to do that, I wish to withdraw my amendment and reserve the right to bring the matter up once again if things do not work out in accordance with the minister's intention.

[*Translation*]

The Acting Chairman (Mr. Rinfret): The hon. member for Mégantic (Mr. Langlois) is asking for the withdrawal of the amendment now before the committee. Does the hon. member have unanimous consent for the withdrawal thereof?

[*English*]

Has the hon. member for Megantic unanimous consent to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Langlois, Mégantic) withdrawn.

The Chairman: Shall clause 15 as amended carry?

Mr. Peters: Mr. Chairman, I am very happy to have heard the discussion that has taken place because some time ago we who served on the agricultural committee were impressed with the manipulation and manoeuvring of some people in the province from which the hon. member for Mégantic comes. There is some merit in considering things that have happened in the past and devising ways and means of eliminating them in the future.

One thing which has not been mentioned much is the relationship between the Canadian Wheat Board, which is the sales

agency of the western farmer, and the livestock feed grain board which has a purchasing function. Another important matter which was raised in the agricultural committee, during the time the Liberal party was opposed to this type of proposed agency, was the necessity of maintaining equilibrium between the cost factor for the production of western beef and other meat products and that same factor in eastern Canada.

That is a factor which most members of the committee were desirous of maintaining. We do not want this new board to sell grain in eastern Canada at a price much more advantageous than that being paid for grain in western Canada, thus creating a disparity between the two types of production, which in turn could only lead to an elimination of one of the boards, either the wheat board sales agency or the purchasing agency of the livestock feed grain board.

This is something which the advisory committee will have to examine more than once a year. When it knows production levels in western Canada it can relate them to needs in eastern Canada. The number of cattle in each area will be a large determining factor in the amount of purchases which the board will make. For these reasons the minister would be well advised to amend clause 15(3) by deleting the words "shall meet at least once a year" and substituting therefor the words "at least four times a year".

This board will have to make decisions at the beginning of each crop season and again in the fall of the year when the availability of grain is determined. It will also have to determine the amounts of grain to be stored, and in order to maintain the differential between east and west it should review the situation at fairly frequent intervals. If it does not, then one part of Canada will be unhappy and very likely that part will be western Canada.

The minister has said that there will be representatives on the committee from all areas. I hope this is true and that included among them are the areas of beef production in western Canada which have a great stake in the effects of this legislation and should play a primary role in an advisory capacity in maintaining what we believe is a reasonable status quo. Therefore I move as an amendment to clause 15(3), line 11, that the words "at least once a year" be deleted and the following words substituted therefor, "at least four times a year."

[Mr. Peters.]

Mr. Sauvé: I fail to understand the purport of the amendment because subclause 3 reads, "shall meet at least once a year at the headquarters of the board, and at such other times and places as it deems necessary in order to carry out its duties under this Act." One would think that members of the advisory committee would be responsible enough to have meetings as frequently as possible, and therefore there should be no necessity for the legislation to lay down four mandatory meetings. Members of the committee will have the responsibility of deciding how often meetings should be held. There must be one meeting each year and they can hold as many as they want in addition.

Mr. Peters: I agree that they can meet as often as they want, but in my opinion the minister fails to see what the function of this advisory committee is really going to be. I think he has not heard some of the representations of western farmers with regard to what this advisory committee is going to do. Maybe he does not know what this advisory committee is going to do. I am of the opinion that the committee, if it is going to discharge its function, will have to make recommendations in respect of how much grain will be bought and what the relationship of the selling price of that grain may be to eastern Canada so that the agency which we are now establishing and the board which buys and sells will not upset the status quo in western Canada.

• (5:00 p.m.)

I am only making this suggestion to the minister for his own protection, because in the initial stages the advisory committee will have to meet to decide on the amount of grain that is going to be planted, again when they know how much the crop is going to be, again when the grain is going to be moved into storage space, and again in the spring of the year when a decision will have to be made when we run into difficulty because of increasing costs because of insufficient grain. At this time I think the minister would be well advised to have advice in respect of how he is going to get grain into the various districts under this measure and with the advantages of the freight assistance which he also is going to be administering.

In the initial stages I think the minister will find there is going to be more interest in how much grain is available, where it will be available, and where it is going to be stored. Incidentally, the board may end up in the spring selling grain if there is too much in

storage, and it may be that they would wish to do so through the western agency. So I suggest that initially four meetings is not unreasonable. I agree with the minister that the committee may have to meet more than four times in the initial stage. After the pattern is established it is quite possible that a meeting of this board once a year or only for emergency purposes would be quite sufficient.

The Deputy Chairman: Order. May I read the amendment submitted by the hon. member for Timiskaming. It is moved by Mr. Peters that in clause 15, subclause 3, after the word "meet" the words "at least once a year" be deleted and that the words "at least four times a year" be substituted.

Amendment (Mr. Peters) negatived: yeas, 3; nays, 43.

Mr. Lambert: Mr. Chairman, there is one observation I should like to make. It is a very minor point but one which has come up in respect of a number of boards and committees. It is stated that the members will be entitled to be paid, first of all, a per diem allowance while attending meetings. That is fine. Second, it is stated that they shall be paid travelling and living expenses when meeting at some place away from their normal place of residence. If the Board moves around and happens to go to the home city of a member, that member cannot even get a nickel for car fare if he wishes to go by bus. Let us take the city of Montreal. What are you going to decide is the city of Montreal? If the member should live in Ste. Anne he has a trip of 13 or 14 miles into Montreal and he would have to eat at hotels and so on. This is a minor irritant. I do not know how to get around it, but I hope that some method will be found to make this more felicitous for these boards. It is not that their members are looking for anything, but I know, for instance, that when the Board of Broadcast Governors meets outside Ottawa and is involved in a hearing extending over a period of a week or more, the member who happens to be at his place of residence has to buy all his meals and everything else and gets nothing. I would suggest to the minister that he pass on a word to the draftsmen that they make some change in this regard.

Mr. Kindt: Mr. Chairman, in respect of the efficient functioning of this board which the minister seems so intent upon having established I should like to ask at this stage whether it is he or the board that is going to make the recommendations concerning who will serve on the advisory committee. I say this for two very obvious reasons. Whoever makes the recommendations and appointments to the advisory committee may be placing the appointees in a position of being subservient to him. This is very important. The minister may laugh, but this is one of the fundamental considerations in human relationships. If this board is to function properly it must be in a position where it can act without owing any debt of gratitude to anyone who may make appointments.

If the minister asks the grain growers or wheat pools to name persons, that would be one type of committee, but if on the other hand he asks the board to be set up under the bill to make recommendations for appointments and he in turn rubberstamps them, then this board will be as useless as any it is possible to create.

Mr. Sauvé: As I said earlier, the members of the committee would be appointed by the Governor in Council and names would be suggested by the farm organizations. They would be picked from the lists proposed by the farm organizations.

• (5:10 p.m.)

Mr. Danforth: Mr. Chairman, the only concern I have, although I shall not make an issue of it at this time, is my fear that the number of persons on the advisory committee may not be sufficient when we take into consideration the long distances involved and the fact that there are six provinces in which this board will have jurisdiction over livestock feed. Perhaps the seven members of this committee who will carry out the provisions of the bill will not be able to do so efficiently because of the vast areas involved. The province of British Columbia, the maritime provinces and Quebec and Ontario are very much interested in the provisions of this bill. If we allocate one member to each of these provinces, other provinces which have large rural areas will not be efficiently represented. I should like to direct this matter to the minister's attention. Was due consideration given to this aspect of the situation and does the minister feel that five or seven members will be enough to carry out these duties?

Mr. Sauvé: Past experience has indicated that for the purpose of appointing representatives of this kind there are regions in Canada and it has been customary to appoint one or

two representatives for the Atlantic provinces. For this reason we felt that five or seven members could look after all our regions.

Clause as amended agreed to.

On clause 16—*Appropriations.*

Mr. Jorgenson: Mr. Chairman, I should like to make one or two points in regard to clause 16, which suggests that all expenditures under this act, including amounts required for payments related to the cost of feed grain transportation, payment of salaries and other expenses shall be appropriated by parliament. During the course of this debate and on numerous prior occasions members of this house have likened the proposed eastern feed grain agency to the Canadian Wheat Board in that it will function on behalf of the eastern farmers in a way similar to the manner in which the Canadian Wheat Board functions on behalf of the western farmers.

Let me point out one or two significant differences. I think the minister already knows what I have in mind. So far as the Canadian Wheat Board is concerned, expenses incurred by the board, including salaries, are paid from moneys accruing from the sale of grain. In other words, the farmers of western Canada are paying for the cost of operating that board. They are also paying the freight on that grain which moves into the terminals at Fort William and Port Arthur.

In those respects there is a considerable difference between the operations of these two boards. I do not intend to move an amendment to change this situation or even criticize it, but I do point out that there is a considerable difference between the operations of the Canadian Wheat Board and the proposed operations of this board which will be acting on behalf of eastern farmers.

Mr. Kindt: Having regard to costs, does the minister visualize that the proposed board will pay the price set by the Wheat Board for feed grain or does he visualize the use of government funds to set up a monopoly to fight the Canadian Wheat Board which by statute is now operating in the interests of western farmers?

Mr. Sauvé: On Thursday and Friday last I gave several long explanations as to how the board will act and when it will act as a buyer or seller. When it does so it will purchase its grain on the Winnipeg grain exchange. It will act as a broker but will never deal directly with the Canadian Wheat Board. I envisage no difficulty in this regard.

Mr. Kindt: Is it contemplated that the board will buy on the open market?

Mr. Sauvé: Yes.

Mr. Danforth: Clause 16 indicates how moneys are to be allocated. Having studied clause 6(a), I fail to understand why some of these funds cannot be used to equalize freight costs from the province of Ontario to the maritime provinces. Can the minister explain whether the board will have the power to authorize the expenditure of money for this specific purpose?

Mr. Sauvé: I have already suggested that the board will have two main functions, to pay for transportation costs and storage and, when necessary, to act as a broker in the buying and selling of feed grain. I explained to my hon. friend on Friday that clause 6 (a)(i) and (ii) gives the board the authority to pay for the transportation costs of corn and locally produced grain. I have not changed my mind since that time.

Mr. Danforth: I am sure the minister appreciates that this situation is very important to me. He states that he explained to me on Friday that the board would be authorized to make payments relating to the cost of feed grain transportation. Under present government policy there is no subsidy paid on Ontario feed grains moving east. Has the minister indicated to me now that under the provisions of this legislation the board or the committee will have the authority to institute this government policy of equalizing transportation costs? Is that what the minister has said to me?

Mr. Sauvé: Yes.

Mr. Muir (Lisgar): Subclause 4 of clause 16 states that no payment out of the consolidated revenue fund under subsection 2 shall exceed $10 million. Does that mean that the total cost in one year could be $10 million in regard to the provision of rented or constructed storage?

Mr. Sauvé: That refers only to the cost of its operations as a broker in the buying and selling of feed grain and has nothing to do with transportation or storage.

Mr. Kindt: A large number of cattle are being fed in the foothills area of Alberta on

barley and other grains grown in the area. That grain is always purchased from the local farmers and does not pass through the hands of the Wheat Board or anyone else. Is there anything in this bill which will interrupt that relationship between the feeder and the grain grower?

Mr. Sauvé: No.

Mr. Kindt: There are a number of people in British Columbia, for example, in the Okanagan valley, who are and will be feeding cattle. I should like to ask if they will be able to haul their cattle into Alberta and sell them. Some farmers haul their cattle into Alberta and sell them. Some buy feed from other farmers and feed the cattle in British Columbia. Are they going to be denied that privilege? Is it the purpose of this bill to put them all out of business, or what is the intention of the minister?

• (5:20 p.m.)

Mr. Sauvé: No, Mr. Chairman, it is not the purpose of this bill to put them out of business.

Mr. Kindt: Will this system be interfered with? Will they be able to operate as they have and buy their feed in Alberta?

Mr. Sauvé: That is what they do now.

Mr. Kindt: In other words, there will be a continuation of the practice followed at the present time?

Mr. Sauvé: Yes.

Mr. Danforth: Once again, Mr. Chairman, I should like to bring to the attention of the minister that clause 16 refers to section 8 and the fact that expenses incurred under section 8 will be alleviated by this particular clause. I would ask the minister whether over the week end he had an opportunity to pursue the difference in interpretation between himself and myself in this regard. Does the minister agree in particular with my interpretation in respect of clause 8?

Mr. Sauvé: Mr. Chairman, I found that we were both right. I will read a note which I have received in this regard. The intent of this bill as drafted is for the board to achieve its objectives by co-ordination of the various interests presently involved and perfecting the existing devices at its disposal before embarking on the involved marketing operations provided for in clause 8. If these methods fail to achieve the objectives of the bill clause 8 can be resorted to, but it is intended that its objectives could then be attained by the marketing of feed grains originating in the prairies. This bill does not limit the board to the purchase of grain originating in the designated area but it is not intended it would have to resort to the purchase and sale of local feed grains, because its objectives in this area could be accomplished by the use of the powers granted in 6 (a), and I would see no objection to leaving the board with the ability to resort to this broader interpretation if it means the accomplishment of its objectives. So we were both right, and I am quite satisfied with this interpretation.

Mr. Muir (Lisgar): Mr. Chairman, would the minister now clarify from whom the board will be receiving its import licences?

Mr. Sauvé: The Canadian Wheat Board.

Mr. Jorgenson: Mr. Chairman, I should like to ask the minister a question on this clause. Clause 16 (1) (a) refers to payments related to the cost of feed grain transportation or the cost of feed grain storage made under paragraph (a) of section 6. We are to assume then that the costs of the feed grain subsidy program will be borne under this program?

Mr. Sauvé: That is right.

Mr. Jorgenson: In other legislation that is receiving the attention of members of the house at the present time the suggestion is made—I do not want to presume what the final legislation will be—that the intention of the legislation is to do away with all freight subsidies, that the railways in effect will be deriving their revenue solely from the competitive forces existing within the transportation industry. Are we to conclude that by virtue of this legislation this will be the one exception to the proposed legislation dealing with transportation?

Mr. Sauvé: This is not a subsidy to the railways; it is a subsidy to the feeders. In the other bill it is a subsidy to the railways, if I interpret that bill correctly.

Mr. Jorgenson: I did not quite hear the minister. I wonder whether he would mind repeating what he said.

Mr. Sauvé: Under this legislation it is a subsidy to the feeders, to the farmers; it is not a subsidy to the railways. Under the legislation on transportation it is a subsidy to the railways and not to the users.

Mr. Jorgenson: In that case, Mr. Chairman, it seems to me—and I do not wish to enter into a debate on the transportation legislation—that in view of the minister's answer it will be possible to effect all sorts of subsidies by simply calling them subsidies to somebody else rather than to the railways. If that is the case, the effect of the transportation legislation will be completely nullified.

Mr. Sauvé: No, Mr. Chairman. This has never been a subsidy to the railways. This is included in the bill that the feeder receives. He receives a bill for the total amount of his order and there is always an indication of "less subsidy for transportation". It is deducted directly from the bill. The railways are not affected at all by this provision. The railways do not know directly anything about the $19 million or $20 million that we are spending here because it is the brokers and the dealers who receive the subsidy, not the railways.

Mr. Jorgenson: I understand the minister's point perfectly, but the point I am attempting to make is that in future subsidies to the railways, and I still say they are subsidies to the railways in a sense, can be camouflaged in many ways by suggesting that they are subsidies to somebody else. Therefore the effects of the transportation legislation will be nullified.

Mr. Sauvé: More of this commodity has been moving east by ship than by rail, so there could be an argument on whether it is a subsidy on rail or ship.

Mr. Muir (Lisgar): Mr. Chairman, I should like to ask a related question on clause 16 (1) (a). On Friday last we were discussing transportation and I suggested to the minister that it would be cheaper to move this commodity by boat. The minister said that an arrangement was being made whereby the railways would transport it at the same cost. Would the minister give us some details of this plan?

Mr. Sauvé: Yes, Mr. Chairman. The two national railways have proposed agreed charges to the maritime feed manufacturers on certain quantities on a year-round basis. They have offered the same thing to the Quebec feed manufacturers. These rates are competitive with water transportation and other transportation costs.

Mr. Muir (Lisgar): This is from Fort William only?

Mr. Sauvé: Yes, from Fort William.

[Mr. Sauvé.]

Mr. Kindt: Mr. Chairman, paragraph (a) of clause 16 provides that these funds are to be used for the cost of feed grain transportation and any other costs that are involved. Then there is a reversion to the equalization of prices between east and west. In other words, the minister has devised a system to pool and use the taxpayers' dollar to overcome the geographic and economic advantages of location in relation to feed supplies. He may be able to justify it, but I certainly cannot understand this provision. The people in western Canada and British Columbia are close to the supply, and if they take advantage of this fact and purchase feed from the Wheat Board or from whatever source it is available and then have to pay the shot for the equalized cost for eastern feeders, I can see that the feeders in British Columbia will be coming before the advisory committee to register their complaints.

• (5:30 p.m.)

Mr. Sauvé: I explained in detail the problems of Canadian agriculture and the problems of the feed grain board on Thursday and Friday when I introduced the bill. I never said that Bill C-218 would solve all the problems of eastern agriculture. This bill is only a part of the national agricultural policy which has to be arrived at by agreement between the provinces and the federal government. I do not want to repeat all that has been said but we are implementing through this board policies which have been voted for by parliament since 1941. We are therefore not changing anything except to try to improve the situation of feeders in eastern Canada and British Columbia. This will not alter the pattern of agricultural production in this country.

Mr. Kindt: Has the minister any figures in front of him which would portray to us the method which he intends to use in the equalization of prices between eastern and western Canada?

Mr. Sauvé: What we have done so far and what we intend to do is to try to pay all transportation costs—we have a special definition for transportation costs—from Port Arthur and Fort William to eastern destinations. This would in effect bring the grain to its destination at the same cost to the farmer as if he had bought it at Fort William.

Clause agreed to.

On clause 17—*Advances.*

Mr. Bell (Carleton): Mr. Chairman, I wonder whether the minister could help me with a problem I have concerning the integration of clause 17 with clause 16 and perhaps with other clauses. Clause 17 seems to be a blanket authorization for the Governor in Council to make advances to the board on such terms and conditions as may be agreed upon. Is this authorization for the Governor in Council as wide as it appears to be or is it confined by clause 16? For example, are those to be only advances appropriated by parliament under clause 16 (1) or is this money to come out of moneys under clause 16 (2) paid out of the consolidated revenue fund? In other words, can the minister tell me whether this is a blanket clause enabling a raid to be made for advance purposes upon the consolidated revenue fund and by-passing parliament?

Mr. Sauvé: As the hon. member knows, the board will have two functions. The first function will be to administer the funds voted by parliament for transportation and storage costs. In that sense clause 17 deals with that. Clause 16 deals with the operation of the board as a broker with certain limitations. Therefore we need clause 17 if we want to enable the board to administer the $20 million annually voted by parliament.

Mr. Bell (Carleton): I should like the minister to clarify this point, that no advance may be made under clause 17 which is not already authorized under clause 16.

Mr. Sauvé: Under clause 16 the government can lend money to the board. Clause 17 also gives this authorization. Clause 17 authorizes the payment of the $19 million or $20 million transportation subsidy plus the $10 million for the fund, plus any amount that might be borrowed by the board to pursue its aims and obligations under the other provisions in clause 16.

Mr. Bell (Carleton): I am not sure the minister has understood my point. I should like the minister's assurance that there is no independent authority under clause 17. What I want to ascertain is that clause 17 carries with it only the authority which is contained in preceding or subsequent clauses, that it does not stand on its own and does not give a blank cheque to the board and to the Governor in Council to make advances of any amounts on such terms and conditions as may be agreed upon, thereby by-passing parliament. The minister will understand that if this authority and power are confined to the financial provisions under clause 16 then I have no objection. But if this does constitute some power which goes away beyond that and gives an independent and separate authority, then I think members of this house have reason to take exception.

Mr. Sauvé: Clause 16 (1) (a) provides for subsidies out of the annual appropriation, that is, $20 million. Clause 16 (4) provides for a fund of $10 million, and clause 17 provides for loans on terms and conditions established by the Governor in Council.

Mr. Bell (Carleton): Then are we to understand that these loans are in addition to and separate and distinct from the moneys appropriated by parliament and the $10 million covered under clause 16? Is this in fact a blank cheque to the government to make loans of any amount on such terms and conditions as may be agreed upon?

Mr. Sauvé: No, as long as the board acts as a broker if need be. It is only so if the board has to act as a broker, in which case there is a limited amount of $10 million. If for one reason or another this is not sufficient, then the board can borrow from the Minister of Finance additional amounts of money. However, the intention was to try to limit the funds at the disposal of the board to $10 million. We do not feel we will need more than $10 million because, as you know, these operations are done within a very short period of time. Buying and selling are done practically in the same week. As soon as you collect for what you have sold you can pay for what you bought, and there is a very limited amount of time between those operations. It is therefore not expected that the board will need more than $10 million for its operations. Nevertheless there is a provision there which authorizes the Minister of Finance to lend money on conditions set down by the Governor in Council.

Mr. Bell (Carleton): As usual the minister has been very clever and shrewd. He skated all around the issue. I want to put it to him immediately and directly. This clause does convey a power and authority in the governor in council to make advances of an unlimited amount which are not provided for in the previous clause 16. That is capable of a simple and direct answer.

Mr. Sauvé: Yes, that is what I said.

Mr. Bell (Carleton): So the answer to that is yes. I think there may be other hon. members who want to express some views in relation to this. So far as I am concerned I am prepared to vote against any clause which gives such unlimited arbitrary power to the Governor in Council. The very essence of parliament is that it maintains and controls the right to vote the money that is necessary for the operation of the government and all the instruments of government. If the minister says that $10 million is not enough, that $20 million is necessary, then I will go along with him in voting $20 million, but I am not prepared to vote with him and say that he can have a blank cheque and can by-pass parliament whenever he and his colleagues sitting in the secrecy of the Privy Council chamber think it expedient to do so.

• (5:40 p.m.)

Mr. Lambert: It is precisely on this point that I should like to add some comments. I certainly underline all that has been said by my colleague from Carleton. The interpretation of clause 16(2) takes us back to clause 8(1) which frankly authorizes this board to go into the grain market and gamble on market conditions. It is authorized to go into the market and buy and sell. Not only is it authorized to buy and sell feed grain in eastern Canada and British Columbia but, in competition with the Canadian Wheat Board, to buy feed grain in the prairie provinces. This power is clearly spelled out in the legislation.

I should like to refer the minister, if I may, to clause 8(1) which deals with buying or entering into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia and in the designated area of the Wheat Board. But it is still in competition with the Wheat Board because when we come to clause 19 concerning the regulations we see that the Governor in Council has authority to deem a grade of wheat grown in the designated area not to be a feed grain. When we come to clause 19 I shall discuss this bill that is not before us.

In any event, as my colleague from Carleton has said, this clause authorizes the board to gamble on feed grain. It is precisely the underwriting of this gamble to which members of this house may have some objection. If the minister gives us a finite amount, then that is all right and the house may be prepared to give its agreement. However, as has been clearly pointed out, clause 17 authorizes the Governor in Council to write a blank cheque. We all hope that the board will operate successfully. We all hope there will not be such stupendous losses that the moneys provided for under clause 16 will not be sufficient. There is no guarantee of that, none at all, particularly for the purposes under clause 8(1). Therefore there has to be more than just the safeguard of an annual report to parliament.

I want to say something too about clause 19 and the laying on the table of the regulations that may be made. In so many places in these acts we have acts which are not before parliament, but we will come to that in greater detail during consideration of clause 19. I share the opinion of my colleague from Carleton and I would oppose this clause.

Mr. Olson: I wonder if the minister really meant what he said or what the hon. member for Carleton interpreted his remarks to mean? Surely the minister does not suggest there will be a statutory provision for an unlimited amount to be advanced to this feed grain agency?

Mr. Bell (Carleton): That is precisely what he did say.

Mr. Olson: If it is the intent of the government to provide for an unlimited statutory amount, I would object to it.

Mr. Bell (Carleton): That is what he said.

Mr. Olson: If, on the other hand, a provision were written into Bill No. C-218 whereby the Governor in Council could make advances and an item were put in the estimates to cover those advances, that item would come before this house for authorization. This would be a different thing. This is the reason I asked if the minister meant to say that clause 17 would be statutory authority for any amount. Surely any additional amount over what is provided under clause 16 would have to be in the estimates and would require the approval of the house.

Hon. members know that statutory amounts do not require approval of the committee of supply because there is a previous authority. Surely the minister is not suggesting that we should now give an over-all authority for all time to come until the statute is repealed. This would constitute a blank cheque. Surely any additional amount beyond what is provided under clause 16 must be included in the estimates of the department or the Department of Finance. Would the

minister reconsider his answer and distinguish between how these advances will be made and what the law will be in so far as the procedure in this house is concerned?

Mr. Fairweather: I am anxious to see this bill passed, but I wonder if we could not stand this section? With great respect, I am quite sure the minister is not correct in what he said. I do not see how a statute which restricts monetary expenditure in other parts can come along a little later and give a blanket authority to the Governor in Council. This section must be copied out of other statutes and we should interpret on the basis of the earlier sections. I suggest that we stand the clause and that the minister get advice on this because an amendment may be needed to make it subject to the earlier clauses if my interpretation is not correct.

Mr. Lambert: If there is to be advice taken from the law officers of the crown with regard to clause 17 and its relationship to clause 16, I should like to point out the possible need for a further revision to that suggested by my colleague from Royal. In line 13 there is an indication that no payment can be made out of the consolidated revenue fund exceeding $10 million and, *inter alia*, that any amount can be advanced under clause 17. Payments out under clause 16 could readily exceed, $460 million if $450 million were advanced under clause 17 because under subclause (4) (a) we have a $10 million excess. If the advances under clause 17 are, $450 million, then the payments could exceed $460 million. There is no authority for the $450 million or any limit on the amount, and this is what we are trying to get at. I strongly urge upon the minister, as suggested by my colleague from Royal, that we stand this clause for advice from the law officers and that we go on with the others.

Mr. Sauvé: I agree.

Mr. Kindt: Is the minister prepared to make a statement?

Mr. Sauvé: I said I was agreeable to have the clause stand.

The Chairman: Is it agreed that clause 17 stands?

Some hon. Members: Agreed.

Clause stands.

Clause 18 agreed to.

• (5:50 p.m.)

On clause 19—*Regulations.*

Mr. Lambert: Mr. Chairman, a few minutes ago I used the phrase, "act which is not before us." This is precisely what happenes under most of these acts which are of some length and where there is a nice, beautiful sounding clause concerning regulations. However, those who have some concern about the rights of individuals examine all the fine print in this particular clause. I am not going to say anything about clause 19(a) but I am going to talk about 19(b) and also 19(c), as well as some subsequent sub clauses.

First of all, let us look at what section 8 authorizes the board to do. The Governor in Council may make regulations which authorize the board to exercise the powers conferred on it by section 8 for any period or periods prescribed by the regulations, but in no case shall any period so prescribed be of a duration that is less than the remainder of the crop year in which such regulation is made. Section 8 tells us that the board may go into the buying and selling of feed grain in eastern Canada and British Columbia and in the designated areas, which are the prairie provinces. Beyond the prairie provinces, through the agency of the Canadian Wheat Board it has many other powers.

I am wondering why it is that so many of these regulations are considered to be necessary and yet parliament never gets the chance to look at them. There is the strongest case here for the introduction into our system in the House of Commons of a committee to review delegated powers. There is such a body in the United Kingdom, and I am sure that is one example we might copy. After all, under the powers conferred by clause 19 the Governor in Council may make a whole spate of regulations. True enough, he must publish them, but the chances of accountability are extremely rare. Action may be taken within the four corners of this act and this may be quite at cross-purposes with the intention of parliament. It may also infringe upon the rights of individuals. All sorts of things may happen under these regulations and no one is called to account.

This is not the first time I have spoken about this, Mr. Chairman. It is not because I am expert in agricultural matters that I now rise to make this protest; it is because of the feeling of many of my confreres in the legal profession that under these omnibus-type

clauses and as a result of the peculiar language that is used by draftsmen we are in effect giving carte blanche almost to a new act, if such were desired.

Perhaps I am looking at the gloomy side but there have been far too many unfortunate examples in the past under various types of legislation where sweeping powers have been given to the Governor in Council. And, let us face it, this legislation gives to the board the power to make regulations. It recommends them to the minister, who is nominated by the Governor in Council to be responsible for the act. They are then taken to the committee of the cabinet on orders in council, the stamp of approval is put on them and, lo and behold, that is the law. Subsequently somebody may really get hurt, and if he is long with patience, long with purse and a most determined man he may be prepared to take the board to court. We have seen cases in the past where individuals have taken the wheat board to court. The wheat board has done many good things, but it has also been guilty in the past of many transgressions. Nevertheless, there are still some regulations which I think cry out for correction.

This is why I must raise objection at this time to the sweeping powers which are being given to boards to make their own regulations, the boards not being accountable for them. I would like the minister to go so far as to agree to bring in an amendment that any regulations that are made shall be tabled in the house. Within the last two years we have had examples of this. Some of the minister's colleagues have recognized the necessity for bringing these regulations before parliament so that parliament can examine them. I think that an amendment could be drafted by way of a proviso to the clause that these regulations shall be brought in and tabled within 15 days of their coming into effect if parliament is sitting and, if not, within 10 days after parliament next sits.

I would also suggest, Mr. Chairman, that under these regulations there is authority to bring this board into conflict with the Canadian Wheat Board in the designated areas. Under subclause (c) there is power to designate any grade of wheat grown in the designated area not to be a feed grain. It would be an eminently satisfying situation, to be sure, to have the Wheat Board declare that a certain quality of wheat shall be deemed to be feed wheat and then have this particular board turn round and say no, it is not to be so deemed. The power to do just that is there.

What I should like to know is why it is deemed that the board should have this power which has been specifically spelt out. Beyond this, the board can determine whether any grain or grain product is to be a feed grain. To go from the sublime to the ridiculous, it could, for example, pick No. 1 northern wheat.

In addition, according to the definitions clause "livestock" means cattle, sheep, swine and poultry and such other classes of livestock as may be designed by regulation as livestock. I am wondering what other livestock the minister may be thinking of.

I see it is six o'clock, Mr. Chairman.

The Chairman: Order. It being six o'clock, and in order that the house may proceed to the consideration of private members' business, I do now leave the chair.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles) Old Age Security —inquiry as to legislation this session; the hon. member for Chapleau (Mr. Laprise), Finance—inquiry as to whether the minister has considered fighting inflation through tax reductions; the hon. member for Grey-Bruce (Mr. Winkler) Agriculture—inquiry as to price of manufacturing milk.

• (6:00 p.m.)

Mr. Pennell: Mr. Speaker, I would ask the indulgence of the house to consent to a suspension of the sitting until eight o'clock this evening.

Mr. Deputy Speaker: Does the house agree to suspend this sitting from now until eight o'clock this evening?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The committee will resume its work at eight o'clock.

SITTING SUSPENDED

At 6.05 p.m. the sitting of the house was suspended.

SITTING RESUMED

The house resumed at 8 p. m.

The Acting Speaker (Mr. Rinfret): Order. The house will resume the business that was interrupted at six o'clock.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

The house resumed consideration in committee of Bill No. C-218, to provide assistance to livestock feeders in eastern Canada and British Columbia—Mr. Sauvé—Mr. Rinfret in the chair.

The Chairman: When the committee adjourned at six o'clock we were considering clause 19.

On clause 19—*Regulations.*

Mr. Lambert: My remaining remarks will deal with paragraph (e), and again I would like to put on record the gist of remarks I have made in the past concerning omnibus clauses and their general wording with regard to regulations. In legislation this is usually the basket provision, if I may use that term. If anything has not been dealt with prior to it, either in the definitions clause or the regulations already spelled out in the bill, then in actual fact the proposed board is given power, under the authority of the governor in council, to make regulations with respect to any other matter concerning which the minister deems regulations necessary or desirable to carry out the provisions of the bill.

I hope that some day we shall reach the point when we do not have to include this type of basket provision in legislation. It is a provision to which resort is made to cover up many difficulties, and is a great extension of the powers granted to a board. It was with this type of provision I was particularly concerned in my original remarks when I suggested we should establish a committee of the house which would annually review all such delegated power, and all such regulations, because in actual fact the power includes authority to make regulations retroactive, and it is a power over which parliament has no control.

During the dinner interval I hope the minister had an opportunity to consult with his officials, and perhaps the law officers of the crown with regard to an amendment which would stipulate that as regulations are made they should be tabled in the house. I also hope he has had consultation with regard to clause 17 which was discussed earlier in the afternoon.

Mr. Nesbitt: Mr. Chairman, supplementary or complementary to the remarks just made by the hon. member for Edmonton West, I would hope that the minister and the law officers of the crown would give serious consideration to provision for the tabling of regulations made under this legislation at regular intervals, say every year, every six months, or something like that.

During the lifetime of this and other parliaments we have had unfortunate examples of authority being given to make regulations, such regulations, when made, covering a wider scope than was ever intended. One example in particular which comes to my mind is the Export and Import Permits Act, which was passed a number of years ago. As all debates on it clearly show, it was originally intended to prevent the sale of war materials and strategic equipment to potential enemy countries and to parts of the world where there was danger that conflicts might arise.

Just about this time last fall, or slightly later in the year, we saw where the government chose to digress from the intention of that act, to use it for the purpose of carrying out economic warfare for political considerations against a *de facto* government in another part of the world, one which our government did not favour. I refer to the government of Southern Rhodesia, its method of attaining independence and its internal policies.

Our government's objective may well have been commendable, but that is not the point at argument. The fact is that regulations were made under the Export and Import Permits Act for purposes other than were orginally intended by the legislation.

As has been pointed out by the hon. member for Edmonton West, under the provisions of this bill the minister has power to make all sorts of regulations, without the necessity to table them or have them reviewed from time to time by parliament. But this bill is not unique in that regard. It is a legislative tendency which governments seem to acquire from time to time. More and more we see a growing tendency to infringe on the functions and cut away the power of parliament to review such matters. Like the hon. member for Edmonton West, I hope the

minister will consider accepting an amendment providing for the regulations to be tabled and reviewed from time to time by parliament.

As I say, I hope such amendments could be made to apply to all other acts which provide for regulations to be made under a sort of catch-all, blanket provision. This is a bad precedent which has crept into our legislation over a number of years, and should not be continued any further.

Mr. Jorgenson: Mr. Chairman, I should like to deal with clause 19(a) which says that the governor in council may make regulations prescribing for payments related to the cost of feed grain storage and transportation, and I shall return again to the matter of feed grain transportation.

On several occasions during the past few years I have attempted to ascertain, from the departmental officials responsible for the administration of the feed grain assistance legislation, exactly to what areas this assistance was being applied. There are varied groups of producers in eastern Canada. Some can be classified as legitimate producers, and others as not so legitimate. Canada Packers, Swift and Burns all have feed lots in this part of the country, as they also have in other parts of Canada; and there are other commercial interests involved. For example, I am sure E. P. Taylor gets the benefit of this legislation.

I suggest that the board which has the responsibility for administering this program should devise a system whereby it could be determined where these payments go, and how much is being received by different farmers in the form of subsidies, so that we can have an idea of who is getting the most assistance from the program.

• (8:10 p.m.)

I wonder whether the minister would undertake to give us his assurance that he will endeavour to discuss this matter with the board to see whether such a program can be devised, and whether it will be possible to isolate the various producers. Also I wonder whether he would be able to give us some information regarding how much they are receiving in the way of assistance.

Mr. Sauvé: Mr. Chairman, on Thursday night and Friday afternoon I spoke of this problem and assured the house that our intention was to find ways and means to help the family farm, and try to avoid large benefits being received by the integrators. We have figures which show they derive their benefits mostly in the form of subsidies paid for transportation costs.

So far as clause 19 and the orders in council are concerned, I think hon. members know all these orders in council are published in the Canada Gazette. As I have said, we want to protect the interests of everybody. There is no sinister intent on the part of the board to deprive citizens of their rights. I do not think there is any way in which this board can do more harm than others operating under a similar provision, but if hon. members feel there is some danger and are ready to suggest an amendment—although I do not see what it will add—I have no objections to anything that is precise.

Mr. Nesbitt: Mr. Chairman, I was not inferring that the government had any sinister plan. I think my colleague the hon. member for Edmonton West and myself had in mind that there has been a growing tendency, not just now but over a number of years, to have these regulations as catch-all regulations. We suggest or hope that perhaps the minister might entertain an amendment to these regulations, so that we would have a starting point which would be subject to review. I am delighted to hear that the minister would give consideration to an amendment which might be made in that regard. I understand my colleague the hon. member for Edmonton West is preparing such an amendment.

Mr. Bell (Carleton): Mr. Chairman, while the hon. member for Edmonton West is exercising his very considerable intellectual talents on that proposition, may I direct my remarks entirely to paragraph (d) which gives power to the governor in council to make regulations designating any city in eastern Canada to be the city in which the headquarters of the board be situated. Now, sir, I have a very great respect for all the cities in eastern Canada, as I have for those in western Canada, but there is only one national capital.

I venture to suggest that the headquarters of the board should be in the national capital. The national capital, Ottawa, has a dual distinction; first it is the shire town or county town of the county of Carleton and, second, it is the capital of Canada. Quite seriously I do believe that this dissipation of the various functions of government is not a wise or

sound operation, and I think there should be a concentration of government within the national capital region.

Although I do not propose to move an amendment, I would venture to suggest also that the regulation should be one which would make it clear that the city in eastern Canada shall be that city which for a long period has been designated as the national capital of Canada.

Mr. Danforth: Mr. Chairman, under clause 19 I too am going to press that there be some parliamentary consideration of any regulations under which this new legislation shall be administered. I would hope the minister would be well aware of the tremendous power being vested in this board. I would hope also the minister would be aware that, under the regulations, this particular board is intruding into almost every segment of the feed grain business, right from the primary producer up to the ultimate sale to the one who uses it to finish livestock.

Not only does it intrude into every segment of the business but, if the terms of clause 17 are as they appear, this board can intrude into the normal business of grain handling, with unlimited funds. Because of this it could cause serious havoc in the normal grain channels. Surely the object of this legislation is merely to stabilize grain prices in eastern Canada and British Columbia, to make sure that there is not an undue rise and fall and to make sure there is not an artificial scarcity promoted for the prime purpose of upping the prices.

Surely, Mr. Chairman, at the very root of this bill is a desire to accomplish this with a minimum amount of uprooting of the normal function of the grain trade. I think it would be a sad thing indeed if because of the regulations there was a disruption to any great degree. I am sure the minister is well aware, that, under the terms of this bill we see before us, not only is this board allowed to take whatever steps it deems necessary in the buying, selling, transporting or storing of all feed grains used in eastern Canada, but under the regulations as set out in this bill it also has the power to require any segment of the grain trade, any merchant, any co-operative, or any company engaged in any part of the four specific undertakings where grain is concerned, to make available to it at any time the complete transactions they have undertaken in this particular trade.

At any time the board can demand to see the books; in other words, it can intrude into the innermost business of any segment of the grain trade. Surely an intrusion to this degree into any industry in Canada must be regarded with a great deal of caution. It is because of these absolute powers which are granted under the terms and provisions of this particular bill that I am very insistent that parliament have some control over and some opportunity to peruse most carefully the regulations under which the industry will be required to act, when this bill we have before us comes into effect.

Mr. Lambert: Mr. Chairman, I have had an opportunity to re-read the remarks I was making before the dinner adjournment. I had asked the minister a question with regard to the possible extension of the classes of livestock defined in the bill. Perhaps he could supply me with information concerning what types, besides those enumerated in the definition clause on page 2, might be deemed to be livestock.

• (8:20 p.m.)

Mr. Sauvé: Mr. Chairman, I think the definition which appears in clause 2(h) indicates clearly that livestock means cattle, sheep, swine and so on, and other classes of livestock as may be designated by regulation. This would include I suppose horses and rabbits.

Mr. Lambert: And goats?

Mr. Sauvé: Yes, I suppose goats, too.

Mr. Olson: Mr. Chairman, the minister said a few moments ago he would be willing to accept an amendment to clause 19 which would give effect to the suggestions of hon. members regarding the right of parliament to review the regulations that might be adopted. The argument was advanced that what might be called a second piece of legislation comes into effect as a result of the regulations adopted following the passage of this bill.

If the minister is willing to accept my suggestion I should like to suggest that section 19 be amended by adding the following words after the word "regulations" in the first line:

—subject to annual review by the House of Commons or a committee of the House of Commons,—

Clause 19 following the adoption of this amendment would read:

The governor in council may make regulations, subject to annual review by the House of Commons or a committee of the House of Commons,—

This would be followed by that which now appears in the paragraphs and subparagraphs of clause 19. Perhaps the minister would be prepared to move that amendment, if it is acceptable.

Mr. Sauvé: I understand another hon. member is drafting an amendment to this clause. I should like to have that before commenting, and perhaps it could be submitted in writing.

Mr. Lambert: I shall be glad to send the minister a copy of the amendment I intend to propose. I would move:

That the period after the word "act" in line 17 of clause 19 be deleted and there be added the following proviso:

"Provided that any such regulation or regulations shall be tabled in parliament within ten days of the approval thereof by the governor in council, providing that parliament shall then be in session, otherwise within the first five days after the commencement of the next ensuing session of parliament".

Mr. Sauvé: In principle that is exactly what the Regulations Act, 1950, chapter 235 says. It states:

Every regulation shall be laid before parliament within 15 days after it is published in the Canada Gazette or, if parliament is not then in session, within 15 days after the commencement of the next ensuing session.

That requirement is already included in the Regulations Act and I do not see that we would be improving the situation by including this requirement in the bill.

Mr. Lambert: The difficulty I find in this regard is in keeping up with the items that are tabled. There is no indication in *Votes and Proceedings* as to when these things were tabled. Since we are dealing with an agricultural subject at this time, let me suggest that in order to find these regulations one must search for a tiny needle in a haystack. I have always felt that a central record of these regulations should be kept at the Library of Parliament, in chronological order. Otherwise one has to ge through *Votes and Proceedings* for a whole year to find when ministers of the crown tabled regulations, reports or returns as required by law.

Earlier this year one of the minister's colleagues was prepared to accept an amendment in order to improve an important piece of legislation, requiring these regulations to be formally tabled and drawn to our attention. I am aware that there exist these anterior regulations of a general nature. If the minister feels my amendment is redundant I do not intend to press it or maintain a standing fight. This is something I wanted to bring to the attention of the house.

[Mr. Olson.]

Mr. Pickersgill: Mr. Chairman, perhaps I may say a word about the historical background of the Regulations Act to which the Minister of Forestry and Rural Development has referred. The hon. member for Winnipeg North Centre will recall very well that this is really a monument to the present Leader of the Official Opposition. I am surprised that the hon. member for Edmonton West is not aware of that fact.

Years ago the Leader of the Opposition lectured this house frequently about what he called government by order in council, and he persuaded Mr. St. Laurent, who was then the prime minister, that these orders in council having the force of law should be made public regularly. I think that right hon. gentleman is entitled to some credit for the Regulations Act. I also think the hon. member for Winnipeg North Centre, who was a vigilant member of the house in those days, is entitled to some credit.

Mr. Knowles: Please remember that I am still here.

Mr. Pickersgill: You are here again, but there was an interval.

Mr. Knowles: All I can say is such an interval would be good for every member.

Mr. Pickersgill: In any event, let me proceed with my historical reminiscence. The Regulations Act required the publication of every regulation that had the force of law. It also required that these regulations be consolidated regularly and published in consecutive fashion. To find one you do not have to look for a needle in a haystack. Indeed, this is not a haystack at all; there is a very well organized compilation of statutory orders and regulations which are available for anyone to read. We know not merely what the law is, directly, as legislated, but what the law is by virtue of the power of regulation given by parliament.

It does not seem to me that by the adoption of the hon. member's amendment we would be changing the law at all. This statute is already in effect, and therefore the proposed amendment is redundant and unnecessary because of the Regulations Act.

• (8:30 p.m.)

Mr. Lambert: Mr. Chairman, I suggest that my amendment takes the law one step further in that it requires regulations to be tabled within ten days of approval. The present statute requires that the regulations passed during the year be tabled at the beginning of the next session of parliament. I am subject to correction, but it seems to me that this is the correct interpretation. If I am wrong, I hope the minister can correct me.

Mr. Sauvé: Mr. Chairman, I think I should read section 7 of the Regulations Act, chapter 235 of the Revised Statutes of Canada, 1952:

> Every regulation shall be laid before parliament within 15 days after it is published in the Canada Gazette or, if parliament is not then in session, within 15 days after the commencement of the next ensuing session.

Is the hon. member satisfied with this?

Mr. Lambert: Yes, Mr. Chairman. Under the circumstances I would be prepared to withdraw my amendment.

The Deputy Chairman: Do I understand that the hon. member for Edmonton West wishes to withdraw the amendment?

Mr. Lambert: Yes, Mr. Chairman, under the circumstances.

The Deputy Chairman: Has the hon. member the leave of the committee to withdraw this amendment?

Some hon. Members: Agreed.

Amendment (Mr. Lambert) withdrawn.

Mr. Bell (Carleton): Mr. Chairman, I am sure it has been a matter of delight to all of us that the Minister of Transport has paid just tribute to the Leader of the Opposition for the authorship of the Regulations Act. If the hon. gentleman would only pay equal tribute to the Leader of the Opposition for all his other great accomplishments in the government of Canada, then we on this side would have less to quarrel about with the hon. gentleman's party. It is a very important achievement of the Leader of the Opposition that has been spoken of tonight. It is one of the crusades of his life. But there have been quite a number of others, and those others, I am sure, will live equally in the memory of the hon. gentleman from Bonavista-Twillingate as has the one he mentioned tonight.

Unfortunately I do not have before me the Regulations Act, although I see that the Minister of Transport has it. If I recollect correctly, when Mr. St. Laurent adopted the suggestions of the then hon. member for Prince Albert it was thought there might be some weaknesses in the act. When the section was read by the Minister of Forestry and Rural Development he said that the regulations should be tabled within 15 days after publication in the Canada Gazette. If I recollect correctly, there was some concern at the time the Regulations Act was passed whether all regulations of every character should be published in the Canada Gazette. If the Minister of Transport will assure me that those regulations which come under clause 19 are of the kind which must be published in the Canada Gazette, then of course the clause which the Minister of Forestry and Rural Development has read is totally applicable. If they are not of such a character, then of course the clause is meaningless. This is the total issue, Mr. Chairman. My question can be simply answered yes or no.

Mr. Pickersgill: I do not think it is quite as simple as that, Mr. Chairman. The hon. gentleman is a lawyer and I am merely a poor layman—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —unlearned in the law. But it would appear to me that the hon. gentleman is as well able to construe a statute as I am. I would think the answer to this question is a simple yes; but he knows the rules about ministers, and especially unlearned ministers, giving legal opinions. I am sure we would be delighted to hear his legal opinion, now that he has recollected the situation in respect of the passage of this act. I thank the hon. member and the hon. member for Edmonton West for giving me the opportunity to remind them of one of the few achievements of the leader which all of them seem to have forgotten.

Some hon. Members: Oh, oh.

Mr. Olson: Mr. Chairman, I should like to move that clause 19 be amended by adding the following words after the word "regulations" in line 1:

> —subject to annual review by the House of Commons or a committee of the House of Commons.

In support of the amendment I have just suggested to the minister and the committee I should like to say that while there are provisions in the statutes now which provide that all the regulations made to administer any statute must be placed before this house at

some time, there is no provision which requires that these regulations be considered by the house or in fact by a committee.

Bill No. C-218 setting up an eastern feed grain agency is a completely new departure in legislation. All through the progress of this legislation in the house and committee, apprehensions have been raised about what may be done with this act when passed. For example, I can remember more than one member rising in his place last Thursday and Friday and saying words to the effect that what is important is not so much what is in the act but how it is administered.

Apprehensions have been raised that the act when passed may defeat its purpose, if it is intended to be of assistance to the family-sized farm, the bona fide farmer, or whatever name you wish to call them, because it would be of even greater assistance to the large commercial enterprises and the integrated livestock feeding operations in eastern Canada, in that this provision could of course intensify competition in the livestock markets for the family-type farm. In addition to that, Mr. Chairman, it would displace to some extent—and this has been drawn to the attention of the house previously—the geographical position of the livestock feeding operations in Canada, to the detriment of the efficiency of all our grain and livestock producing establishments.

Therefore, because it is a new departure in legislation and because we do not have a set of regulations before us now that would give us an indication of the details of how this act will be administered, I think it would be useful to have this additional provision in the act to ensure that the House of Commons, or perhaps the committee on agriculture, forestry and rural development, could consider the regulations. It would be mandatory that they consider the regulations, at least for the first few years after we have seen how this act operates.

The amendment I have suggested simply requires that the minister bring in the regulations annually for study, I would presume near the beginning of each session, and that he move that they be referred to the committee on agriculture, forestry and rural development for study. Therefore, Mr. Chairman, I think my amendment has some merit, particularly for the first two or three years of the operation of his act. After the board has been set up and the regulations have been in operation and amended from time to time, after we have seen how the act is working and have made sure that it is in fact functioning to achieve the end result that was intended, this amendment could of course be withdrawn in so far as its mandatory effect is concerned. Meanwhile I believe this is a useful kind of amendment that would in fact satisfy many members of the house who are wondering what is going to happen in respect of the operation of the act.

The minister himself, for example, said that he did not know what kind of regulations or administration were going to be set up to deal with the possibility of the larger feeders obtaining the major share of any subsidies for freight and storage that would be paid out of the operating fund of this board. Therefore I say to the minister in all seriousness that I think the house should have the right to review these regulations at least annually in the initial stages.

• (8:40 p.m.)

Mr. Sauvé: I would not like the house to think there is a sinister plot behind these regulations, that everything is being done behind closed doors. If hon. members would like to refer to *Hansard* of last Friday, they will see on page 8499 reference to an appendix containing regulations governing the actual system of payments. This has been published in an order in council, in the Canada Gazette and in the appendix. Clause 22 provides for an annual report to parliament. In reviewing the annual report the house may decide to send it to a committee for examination. I really do not see what benefit could be derived from this amendment as presently worded.

There is another point which I should like to make. After the regulations are passed, they will be reviewed by parliament a year later. I really do not see the necessity for this amendment as long as we proceed normally. I have gained the impression, after hearing some hon. members, that they believe some plot is being hatched against someone. I would like to know against whom, because the purpose of this bill is to improve the conditions of the farmers in eastern Canada and in British Columbia. It is not directed against anyone. This has been the platform of all the political parties for a good many years.

I have the impression that some hon. members think we want to act behind closed doors. We must help the boards to administer their acts and not hamper them in a way which will make it more difficult for them to

function under an act of parliament. Parliament is the supreme authority, and every year it will review the report. There are a lot of tricky points here, and it is rather hard for the administrators to go beyond the powers established by an act of parliament.

Mr. Olson: I want to make it abundantly clear to the minister that I do not see anything sinister in this bill. I cannot think of anyone who would be plotting to do anything wrong under the authority granted in the bill. The minister has admitted quite properly, and I am sure I heard him say this on Thursday and Friday, that a very delicate balance has to be maintained between the subsidies that are paid through this board. If it were not for the subsidies on freight and storage, and the other function of distributing feed in eastern Canada, then there would be no purpose in the bill at all. The minister said, and I agree with him—in fact I suggested it to him before—that there is a very delicate balance between helping one region and avoiding to do damage to another one.

The minister asked whether the amendment would require that the House of Commons review and approve these regulations before they can become effective. The amendment does not say that, Mr. Chairman. All it says is that those regulations shall be subject to annual review. It is certain that such regulations as are passed by the governor in council would become effective on the same date following the passage of the order in council, as would be the case with any other order in council. All the amendment would do would be to make it mandatory that the government, at least while this board is being set up and going through its trial period, be required to refer this to the members of the House of Commons or a committee thereof to ensure that the regulations are in keeping with the spirit and intent of the act, and also to see that the board is functioning in the way in which we think it should. The minister is quite right when he suggests that almost every political party—he said in fact all political parties—has been in favour of setting up this kind of feed grain agency. That is right; but we are also anxious, as is the minister, to see that this balance is maintained between how far you should go without doing one region damage, and trying to help the other.

The minister also raised an objection to the amendment because of the statement in clause 22 that an annual report is to be made to parliament. That is true, but the clause does not require the regulations under which the feed grain agency is to operate to be reviewed by the House of Commons or by a committee of the house. This is the intent and purpose of the amendment I moved, Mr. Chairman. I therefore think the minister is being a little unfair when he suggests that the only reason for moving this kind of amendment is our suspicion of some sinister plot. As far as I am concerned this is simply not so. We have a great deal at stake in passing this kind of legislation to see whether it does what we want it to do, because under the legislation we are setting up an authority, and giving authority to a feed grain agency to make regulations. Serious damage could be done to livestock feeders and even to feed grain producers in certain parts of the country if a mistake were made.

I hope the minister will revert to the statement he made earlier today that he would be in favour of an amendment which would in fact subject these regulations to an annual review by members of this house, to ensure that what was being done was in line with what was intended. That is the purpose of my amendment. It does not interfere with the effective date of the order in council respecting these regulations any more than do other orders in council.

Clause 22, unless amended, does not require that an annual report be sent to a committee for a review of the regulations. Therefore, Mr. Chairman, there is nothing superfluous about the amendment in so far as other clauses of the bill are concerned. As I said, I hope the minister will revert to what he said earlier this evening, that he would accept an amendment requiring an annual review of the regulations, at least until the feed grain agency is a well established body.

• (8:50 p.m.)

Amendment (Mr. Olson) negatived: Yeas, 59; nays, 80.

The Deputy Chairman: I declare the amendment lost. Shall clause 19 carry?

Mr. Winkler: No, Mr. Chairman, I simply want to say that a number of members of the party across the floor came in late and voted.

Mr. Churchill: A few minutes ago the hon. member for Carleton drew the attention of the committee to paragraph (d) of clause 19 which reads:

—designating any city in eastern Canada to be the city in which the headquarters of the board shall be situated.

He mentioned that in his opinion it is more advisable to keep in the capital city of Canada the major boards that are established by the government. I wonder if the minister has any explanation for this unusual clause which appears in the bill, or if the Minister of Transport would give us an historical summary of how a clause like this originated? I would draw the minister's attention to the fact that in clause 6(h) the board has power to establish branches in Canada, or employ agents in Canada or elsewhere.

Will it not naturally follow that the headquarters of the board should be here in Ottawa and branches should be established elsewhere? The minister has in this bill left out British Columbia. That province does not qualify for the headquarters of the board, and I presume a branch might be established out in that province. If branches are to be established in the provinces, the minister may find himself in a position where the headquarters of the board would be established in one province in eastern Canada and a branch of the board in the city of Ottawa, the capital city of this country. This seems to me to be a rather strange method of dealing with this particular matter. I should like the minister to tell us if he has in mind the city of Charlottetown, for example, for the headquarters of the board?

The Chairman: Order. I apologize for interrupting the hon. member, but it is a little difficult for the Chair to hear the remarks being made by the hon. member.

Mr. Churchill: The situation was just about normal on the other side of the house, but I am glad the Chairman has drawn public attention to the fact the Liberal party does not pay much attention to what goes on in this chamber.

An hon. Member: A Liberal convention.

Mr. Churchill: Yes; it may be the last time I speak to a Liberal convention.

I wonder if the minister would explain now if Charlottetown would qualify for the headquarters of the board, and if not why not? One could go down the list and ask about Nova Scotia, New Brunswick and Newfoundland. Has "Joey" Smallwood heard about this? Perhaps the Minister of Transport could tell us?

I feel more free to speak on this particular matter than the hon. member for Carleton because, living as he does in Ottawa and representing a part of this great city, he might be a little shy about urging that the headquarters should be established here. I do draw attention to the fact that this is something that should be explained. When you look at the beginning of clause 19 you find that the governor in council may make regulations to designate any city; so the matter comes back to the cabinet. Why has the cabinet not made up its mind upon this matter? The minister is asking us to pass this legislation; then subsequently the cabinet will decide in which city the headquarters of the board will be established. Then, the pressures come from the various provinces as to what should be done, except that British Columbia and the three prairie provinces are excluded. I see no reason at all for this clause as it stands, and I will await the minister's explanation.

Mr. Sauvé: We have not mentioned any city, Mr. Chairman, because we want to consult the interested parties as to the possible location. The Canadian Wheat Board has its headquarters at Winnipeg, the centre of the trade, and the centre of the trade in feed grain is normally Montreal. It is quite possible that after consultation with interested parties Montreal could be the location of the headquarters of the agency. We are applying no different rule from the one that was applied to the Canadian Wheat Board when the headquarters were established in Winnipeg, not in Ottawa.

Mr. Churchill: I am not sure the analogy of the Canadian Wheat Board follows in this particular case. I am prepared to move an amendment, seconded by the hon. member for Grey-Bruce, as follows:

That in line 11, page 9, paragraph (d) of clause 19, the words "any city in eastern Canada" be struck out and that there be substituted therefor the word "Ottawa".

• (9:00 p.m.)

The Chairman: Is the committee ready for the question?

Mr. Sauvé: Mr. Chairman, I have already explained that no decision has yet been taken as to the headquarters of the agency, because we feel we have to consult the interested parties. I should like to know from the hon. member for Winnipeg South Centre whether he would be ready to propose an amendment to move the headquarters of the Wheat Board from Winnipeg to Ottawa on the basis of the principle he is establishing. My point simply was that we should normally establish this

headquarters, after consultation with the interested parties, in the centre of the trade involved. It is no fault of Ottawa that the centre of the feed grain trade is not Ottawa.

Mr. Churchill: The minister has demonstrated a lack of interest and knowledge on the part of the Liberal party with regard to western Canada. He is now suggesting that the Canadian Wheat Board should be transferred from the city of Winnipeg. It is the type of suggestion which comes from the members of the Liberal party, and explains in part their lack of support out on the prairies.

I have already said that the analogy with the Wheat Board is not at all similar to this situation. The Wheat Board deals with the great producing area in western Canada, the prairie provinces, that provides so much for our external trade and our balance of payments, something which this country needs. Winnipeg is very close to the producers, and there is a long history of activity in that city. There were other organizations which dealt with the grain trade before the government moved in to assist.

We are not being told by the minister, Mr. Chairman, that some city or other in eastern Canada will be more closely associated than another with feed grain. If this is the case, why did the minister not set this out in the original bill? He has left it wide open, and that is why I raised objection. He has in the bill "any city in eastern Canada". Why did he not name the city? Surely the cabinet can make up its mind, without changing it and then making it up again—or have someone write out a resignation? That is what I was after. Why leave the bill in this unfinished condition, when it would be a simple matter to insert whatever city the cabinet has decided upon? Leaving it wide open and uncertain is just another demonstration of the incompetence of the present government.

Mr. Sauvé: Mr. Chairman, I really regret that the hon. member was not here this afternoon or Friday when we received much good advice from opposition members to the effect that we should not set up this board without consulting the interested parties. It is precisely because we do want to consult the interested parties that we have drafted the clause in this way. Either we are doing the right thing in consulting people, or we are not. I do not think the hon. member would like us not to seek the advice of the people who would benefit from this legislation. We could not do so before, because the bill had not been passed. When it is passed we have the authority vested in the governor in council to establish regulations as outlined in clause 19. This is the democratic process, and I am surprised that my hon. friend does not recognize this in the intentions of the government in proposing this kind of legislation.

Mr. Churchill: Mr. Chairman, I am not going to deal with the minister's argument, but I would ask him to withdraw his remark that I was not here on Friday or this afternoon. I have been here and I would challenge the minister to equal my attendance in this chamber. I was not absent in some secret room when a vote was going on the other night, as were 15 members of the Liberal party.

Mr. Herridge: Mr. Chairman, I rise to oppose the amendment. I listened very carefully to the minister's explanation, which I thought was quite logical and reasonable. I think that what he intends to do is thoroughly sound from a democratic point of view.

[*Translation*]

Mr. Caouette: Mr. Chairman, having listened to the hon. member for Winnipeg South Centre (Mr. Churchill) ask the minister to inform the house immediately as to where in eastern Canada the board is to set up its head office, I believe the member for Winnipeg South Centre only wants to play politics, as is customary with him.

This does not mean that I support entirely the minister's statement concerning clause 19 of Bill No. C-218, which reads as follows:

> The Governor in Council may make regulations
>
> (a) prescribing, with respect to payments related to the cost of feed grain storage and with respect to payments related to the cost of feed grain transportation, the classes of persons to whom and the terms and conditions on which such payments may be made and the rate of such payments within each of such areas within eastern Canada and British Columbia as may be prescribed by the regulations;
>
> (c) designating
>
> (i) any area in Ontario lying west of the meridian passing through the eastern boundary of the city of Port Arthur to be part of eastern Canada;

• (9:10 p.m.)

Can you imagine, Mr. Chairman, how many of the farmers in the Champlain electoral district will understand that designation of eastern Canada as any region lying west of the meridian passing through the eastern boundary of the city of Port Arthur? The

Champlain district lies there, as does my own county. But where are the farmers, or even the lawyers or professionals, who will understand what constitutes eastern Canada? And we can include the Lotbinière district, across from Champlain—

Mr. Choquette: Will the hon. member allow me a question?

Mr. Caouette: Yes.

Mr. Choquette: Why would the hon. member have us believe that farmers are ignorant? Farmers are intelligent. Why would he have us believe otherwise?

Mr. Caouette: Mr. Chairman, I will point out to the hon. member for Lotbinière (Mr. Choquette) that farmers are intelligent, that settlers are intelligent. But I tell the hon. member for Lotbinière that lawyers are nitwits when they produce such bills as this one.

Mr. Choquette: I rise on a question of privilege, Mr. Chairman.

Mr. Caouette: A question of privilege on top of that.

Mr. Choquette: I appreciate the hon. member's eloquence; he is a quite talented fellow and I like him very much. Moreover, lawyers are not that innocent; they do their best to confuse the law in order to have clients.

Mr. Caouette: Mr. Chairman, I like nothing better than such a sincere admission by the hon. member for Lotbinière. Lawyers like to complicate laws so as to confuse everybody, and thus have clients, because people understand nothing about that mess of acts, amendments, clauses, sub-amendments. The hon. member for Lotbinière knows all about that, since he just confirmed what I said a moment ago.

Mr. Choquette: I rise on a question of privilege, Mr. Chairman. Frankly because I listened to the hon. member's speech and I do not take him too seriously, I think it proper to make a witty remark. I was not speaking seriously when I said that lawyers wanted to confuse the law; I just wanted to be witty, considering that the hon. member's speech was not serious, I thought it proper to be witty.

[Mr. Caouette.]

[*English*]

The Chairman: Order. It might be as well for the committee to get back to discussing Clause 19.

[*Translation*]

Mr. Caouette: Mr. Chairman, I will gladly come back to clause 19. However, I would like to be allowed, through you, to tell the hon. member for Lotbinière that if my remarks do not seem serious, I think that what he said a little earlier lacked seriousness also.

To continue consideration of clause 19 of Bill No. C-218, Mr. Chairman, I wish to point out that a little earlier the minister referred to *Hansard* of three days ago to say that the opponents of the bill had amplified their objections to the said bill.

The minister told us that parliament is the supreme authority with regard to the passing of those regulations or that bill entitled: An act to provide assistance to livestock feeders in eastern Canada and British Columbia.

The minister told us that there is nothing behind the scenes; no one is trying to influence the government, no one is trying to influence the minister, no one is trying to oppose the bill or object to it.

Mr. Chairman, subparagraph (c) of clause 19 reads as follows:

(c) designating

(i) any area in Ontario lying west of the meridian passing through the eastern boundary of the city of Port Arthur to be part of eastern Canada;

(ii) any grade of wheat grown in the designated area not to be a feed grain,

(iii) any grain or grain product to be a feed grain, or

(iv) any class of livestock to be livestock for the purposes of this Act;

And we now come to sub-clause (d), and I quote:

(d) designating any city in Eastern Canada to be the city in which the headquarters of the Board shall be situated;

Mr. Chairman, according to that clause, the meridian passing through the eastern boundary of the city of Port Arthur really means that the eastern part of Canada starts in one section of Port Arthur, going east, and that British Columbia is the westernmost part of Canada.

Mr. Chairman, in asking that Winnipeg be appointed the organization centre for the distribution and sale of these feed grains in Canada, in eastern Canada as in British Columbia, the hon. member for Winnipeg South Centre departs from the rules, for the

Board of Grain Commissioners has its headquarters in Winnipeg, and Winnipeg is not considered as an eastern Canadian city. In fact, Winnipeg is considered as a central Canadian city, where the wheat and grain needed in eastern and western Canada is produced.

[*English*]

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

[*Translation*]

Mr. Caouette: Certainly.

[*English*]

Mr. Churchill: Just so that there may be no more confusion than the hon. member has already raised, may I point out that I never suggested Winnipeg should be the headquarters of this board, as the hon. member has just said.

Mr. Caouette: No. I said that Winnipeg is already the centre of the corn exchange in Canada. We do not want Winnipeg as a grain distributor in Canada; we want it to be somewhere else. We are against centralization and the hon. member is in favour of centralization.

[*Translation*]

Mr. Chairman, we do not want Winnipeg to keep everything, namely the production and distribution of feed grains; other places should be suggested, but the member for Winnipeg South Centre mentions no other town but Winnipeg to ensure the distribution or control of the grains which come to us from the Canadian mid-west.

Mr. Chairman, this bill must increasingly make it possible for the people in eastern Canada to take advantage of and to benefit from the production of grain in our country.

Now, we of the Ralliement Créditiste, have asked, on many occasions, that feed grains be stored in eastern Canada, in our province of Quebec, in Ontario, in order to assist the eastern farmers. This clause 19 will help as long as there are no middlemen to take away from the farmers in Quebec, Ontario and British Columbia, the profits they need. We do not object to this Bill No. C-218, as long as it meets and follows up efficiently the objects set forth, the admitted purposes contained in this legislation.

The farmers from the Quebec district, from the constituencies of Champlain and of Trois-Rivières, from my district, from the lower St. Lawrence region, from Bellechasse, including those from Ontario, will profit from this legislation. But if middlemen, for instance, should seek to prevent farmers from deriving such benefits, then, Mr. Chairman, we shall take a strong stand and we will take to task the minister who is responsible for this legislation. But until then, we are ready to support Bill No. C-218, provided our farmers profit thereby.

• (9:20 p.m.)

[*English*]

Mr. Winkler: Mr. Chairman, it is not my intention to delay the deliberations of the committee and I hasten to apologize to my friends in the Liberal party for keeping them from other activities. However, in seconding the amendment—

An hon. Member: When is your leadership convention?

Mr. Winkler: We don't forget the past. A few of you who have not been here too long do not bother me. I wish to reply to the hon. member who has just taken his seat in relation to his remarks about the hon. member for Winnipeg South Centre, and the question of playing politics. I wonder who is playing politics, when the terms of this bill are as vague as they are.

I think we should consider the national capital as the headquarters of the proposed body. I notice that the Minister of Agriculture has lately realized the importance of this argument in relation to the milk industry, and will do something about it next year. We do not consider Ottawa as part of any province, but as the national capital.

The hon. member for Villeneuve said the bill will benefit Ontario, Quebec and other parts of eastern Canada. That is quite true. My own constituency may benefit from it and therefore I might request that the headquarters of the body be located there. However I think the most central spot would be the national capital. I have seconded the amendment and I hope the minister will accept it.

Mr. Muir (Lisgar): Since the minister has drawn a comparison between the operations of the Canadian Wheat Board and of the proposed feed board, I would like to draw to his attention that the operations of the Wheat Board are entirely financed by the producers of grain in western Canada, and the operations of the feed board are going to be financed by the taxpayers of Canada at large.

Mr. Sherman: Mr. Chairman, I was interested in the comments of the hon. member for Villeneuve with respect to centralization, and his saying that in view of the fact that the marketing centre for grain is located in Winnipeg the distribution centre should not be located there. I would like to know how far he is willing to pursue this thesis on centralization with respect to other industries—for example with respect to our publicly owned air line and its headquarters location in Winnipeg or Montreal. Where does he think centralization starts and ends? Winnipeg is the logical centre for the proposed board. I would be much interested in pursuing this question with the hon. member for Villeneuve, either inside or outside the chamber.

Mr. Caouette: On a point of order, Mr. Chairman, the hon. member has asked what I mean by centralization and decentralization, and has mentioned Air Canada. I am strongly in favour of decentralization, whether it be to Montreal or Winnipeg, so that Canada can present a truly national figure, so that organizations are attached not to one section or sector of our economy but to the whole of Canada. I am not asking Winnipeg to come to Montreal or Noranda, just as I would not ask Montreal and Noranda to transfer to Winnipeg. I would like Winnipeg, Montreal and Noranda to live together as Canadians.

Mr. Patterson: I have listened with a great deal of interest to the exchanges that have taken place regarding the location of the headquarters of the feed grain agency. The Minister of Forestry and Rural Development has said we should permit consultation with the organization respecting the proper place for its headquarters, but he went on to say it should be located in eastern Canada. I would remind him that this bill is entitled, "An act to provide assistance to livestock feeders in eastern Canada and British Columbia," and I think the British Columbia aspect has been forgotten.

If the matter is to be settled by consultation, then the minister should delete his reference to eastern Canada. I am not going to suggest that the headquarters should be located in Vancouver, which would be a beautiful spot, or at Chilliwack in my constituency, a beautiful little city in a splendid location. I am not suggesting that; but I do point out the unfairness of the minister's saying there will be consultation, but the location must be in eastern Canada. I believe the capital city would be the proper place for the headquarters.

Mr. Bell (Carleton): Mr. Chairman, I would have thought the merit of this amendment was so obvious that it would have the unanimous support of the committee. Hon. members will realize how unprejudiced I am when I say that I have escaped living in Ottawa by 40 rods.

I suggest that the dissipation of the operations of government into various other communities is an unsound proposition. If there is to be any dissipation, the government should have courage and put it forward in legislation. When the Canadian Wheat Board Act was passed the government of the day came to parliament and said that "the headquarters shall be in the city of Winnipeg in the province of Manitoba." That was all right, and the House of Commons made the decision in that case.

• (9:30 p.m.)

What is the minister proposing? He is proposing the secrecy of the privy council chamber; he wants to get behind closed doors so that he can have all the logrolling. The Minister of Agriculture will say he can get some votes in Renfrew if it is taken to Renfrew. Then the Secretary of State for External Affairs will say, "Oh, yes; Windsor is the centre of the universe". The Minister of Transport will say "Well, if we can get it far enough east we can get it down to Bonavista". Behind closed doors we will have all this logrolling going on from time to time.

Mr. Greene: Will the hon. member tell me whether he is against locating the headquarters in Renfrew.

Mr. Bell (Carleton): Mr. Chairman, if I had my choice, legitimately, I would put it in the community in which the hon. gentleman is interested, and that is the community of Carp.

Mr. Pickersgill: What have you against Bell's Corners?

Mr. Bell (Carleton): We are going to have this behind closed doors and have a lot of logrolling, with one minister vying with another to get an operation of government. We have seen the dissipation. We saw the National Film Board taken out of this community. We saw homes being destroyed in the city of Ottawa. Hon. gentlemen opposite know all about what has happened. Had it not been for the protests from this side of the

house there would have been almost total dissipation of the national capital.

We know it is perfectly obvious that the Minister of Forestry and Rural Development intends to put this in the city of Montreal. Why does he not have the courage to put it in this legislation? Come on; move an amendment to have it in the city of Montreal instead of Ottawa, and then put it forward to the house in a legitimate and proper way. Then we can have this house debate it, instead of all this logrolling. I know what goes on behind closed doors when these gentlemen get themselves in the circumstances they do so often, sitting day by day, worrying about their little chores. If hon. gentlemen opposite are not prepared to support this, then let them move an amendment so that the house can decide, as was done in the case of the Canadian Wheat Board, and not have it as something behind closed doors.

Mr. Jorgenson: Mr. Chairman, I rise to support the amendment.

An hon. Member: Which one?

Mr. Jorgenson: The amendment of the hon. member for Winnipeg South Centre. But, I should like to accept the argument proposed by the minister. He suggested—and I do not disagree with him—that the headquarters of this board should be located in the centre of the grain trade in eastern Canada. I quite agree with that argument. There is a stock exchange in Montreal and there is a stock exchange in Toronto. I think the logical place then would be somewhere in between these two centres, and that would be right here in the city of Ottawa. Using the minister's own argument I would suggest that we adopt this amendment and have the headquarters of this agency located in the city of Ottawa.

Mr. Langlois (Mégantic): Mr. Chairman, I missed the first part of this travelling back and forth across the country, while I was having my supper. Apparently I missed part of the trip. So far as I am concerned the minister can place the headquarters wherever he wants; it does not make any difference to me or to the farmers so long as it is in a place where it will give the results these people expect. You can place it in Halifax or Vancouver. If it is going to work better in Vancouver, then place it there. If we keep this up, each member will want it in his own constituency, and for a good reason. All I am concerned with is that we have it some place where we can get hold of these birds whenever we need them, and can talk to them. I am willing to give them air conditioned apartments, but let them do the job; that is all I am concerned about and this is all the farmers are concerned about. Let us stop beating about the bush, and trust the minister to put it somewhere. I am willing to trust the minister to the extent that I believe he will leave it within the jurisdiction of Canada. If he goes out of the country, then we can have a special debate.

Mr. Chairman, there is another matter here which concerns the cost of feed grain storage and the payment related to the cost of feed grain transportation, as set out in paragraph (a). Not too long ago I asked a question of the minister in the house concerning discussions which have been going on at least in eastern Canada, among the millers, the storage agencies, the railroads and the trucking industry. Following a meeting which had taken place at Drummondville, and another on Tuesday or Wednesday of last week in Montreal in the Chamber of Commerce building with railroad representatives concerning the transportation of grain, I asked the minister whether any of his colleagues had any idea of transferring everything to the railroads. From the discussions which came out of these meetings, apparently one man foresaw for the coming year a need for 40,000 bushels. He ordered 30,000 bushels, and then used only 26,000. Yet he had to pay the transportation on the whole 30,000 bushels. One thing the millers are not going to handle is a deficit on the selling price for the following year. Who is going to get it in the neck?—the farmers. The miller is not going to assume deficits year after year. If they order more than they need, they are going to pay for it.

The railroads cannot go everywhere. The trucking industry cannot do what the railroads can. We have to have a combination of both. In the Montreal area the railroads refused the franchise because they said they could not do the job for the next several months. They said they cannot keep up with the work they have now. The trucking industry was angry; the millers were angry. Some of the farmers were happy, but they did not know the whole story. Had they known the whole story they might have sent some men here to teach us some common sense. In the payment of these subsidies or charges I hope the minister will keep a close tab on what he is paying, for the simple reason that you cannot let these things run themselves. Some

people will be making an awful lot of profit, but if you mention it to them they will say they are having a hard time.

• (9:40 p.m.)

This is something that should be supervised by the minister. Why do things become so expensive to transport from Port Arthur to eastern Canada? The western farmers pay for the transportation of this grain to Port Arthur, so why is it so expensive to transport it from there to eastern Canada? I have often heard it suggested that, because of transportation costs, feed grain that sells at $2 per hundred pounds in Port Arthur sells for $6 in eastern Canada.

Perhaps the minister should initiate a study of the profits that are being made. I suggest that he keep alert in respect of these increasing costs and make an effort to determine whether some speculation is taking place. Perhaps he should see that some sanctions are taken against people who are making undue profits in this regard. Something should be done in a positive way by the Department of Transport, perhaps by reducing or stopping subsidies, to see that these excessively high transportation costs are eliminated.

The minister as well as the board should report to this house in respect of transportation costs. This is something that would be of interest to the agriculture committee, if that is the committee that will consider this subject. I did not inquire of the minister as to what committee would consider this whole situation, and there is some doubt because the minister responsible is the Minister of Forestry and Rural Development. I hope he will keep in close touch with this situation.

[*Translation*]

Mr. Mongrain: Mr. Chairman, in my province people have a habit of saying that certain colours cause violent reactions in some species of creatures which God has put on this earth. The red badges worn by some members of this house tonight have a similar effect on certain members of the opposition, since we are now witnessing the sort of event which should take place on more worthy occasions.

We are in fact trying to decide on the location of the headquarters of this feed board. Those who, like myself, have listened to the debate with an open mind, which is necessary under the circumstances, will notice that the House of Commons will never find an acceptable solution with the spirit pervading this house at the present time, since one member suggests Vancouver, another Chilliwack, and others Rouyn, Montreal, Quebec, and Mégantic. I think this proves that the bill we are now studying—

Mr. Langlois (Mégantic): I rise on a question of privilege, Mr. Chairman. I never suggested Mégantic, I said anywhere, any place which would suit the Canadian farmers.

Mr. Mongrain: Mr. Chairman, I am very happy to see that my colleague does not show this narrow-mindedness. I will say this about him, he is not narrow-minded. He was misunderstood. But I want to say this, Mr. Chairman, that if the decision is left to this house, we will never get anywhere, because each is thinking of his home town and his own political interests, and as the hon. member for Villeneuve (Mr. Caouette) said earlier: this is unavoidable.

I am not suggesting that the headquarters of this board should be located in Trois-Rivières, although I can think of many reasons why it would be the ideal place. But I think the minister was right in spelling out in the bill that the decision regarding the best place for the establishment of the headquarters of this board should be left to its members who will not be influenced as much as we might be by electoral and partisan considerations and who will surely look after the interests of all farmers affected by this legislation. As far as I am concerned, I have no objection to Ottawa being chosen. However, many members will agree with me that, for all sorts of reasons, there is no doubt congestion within the civil service in Ottawa as evidenced by a great many incidents. But I would have no objection to establishing the board in Ottawa; it would be acceptable to me. Someone mentioned Vancouver a moment ago, but I do not think he was serious.

Mr. Chairman, I will make my closing remarks as brief as I can, appealing to the hon. members to remain calm even if our friends, the Liberals, are overwhelmed with partisan joy because their convention has never been as successful in past years; even though this unexpected fervour on the part of the Liberals seems to spur on and challenge our friends of the Conservative party who want to show the world that they can do just as well; even though our friends of the Social Credit party who have also just returned from a sort of retreat are convinced they should prove to the rest of the country that

they are perhaps in a better position to assure the common weal.

Let us forget those things for the time being, since we are not in the mood to select the headquarters this evening. Let us endorse the minister's proposal as men of good will should prove to the rest of the country that and say: We shall let the members of this board, who will not be influenced by such considerations but who will concern themselves instead with the common good, select their headquarters themselves.

[*English*]

Mr. Peters: I do not intend to make a bid for the establishment of the headquarters of this board in northern Ontario, but I should like to make reference to clause 19(c)(ii) which refers to the fact that any grade of wheat grown in a designated area is not to be designated as feed grain. I assume the designated area is eastern Canada and British Columbia, and I am wondering why certain types of wheat will not be designated as feed grain. In Ontario particularly a lot of wheat is grown for feed. I am sure the Minister of Agriculture will agree with me when I suggest that a lot of the wheat grown in the Renfrew district and in northern Ontario is not grown for the purpose of making flour. Many farmers decide which crop they will plant on the basis of the greatest yield per acre, and as a result grow oats, barley, wheat and other feed grains.

Many grades of wheat grown in the designated areas I am sure will be of a grade not suitable for commercial purposes. I see no reason why this particular subparagraph should be included in the bill.

Mr. Sauvé: This particular principle complies with a principle included in a Wheat Board regulation.

Mr. Peters: That fact does not impress me. In Ontario we have a wheat marketing board and it would be unrealistic to suggest that all the wheat marketed by that board is destined for flour mills. That is not the case. A certain percentage of the wheat grown in the area from which I come does not go to the mills, but is used for feed, and we produce both hard and soft wheat. Surely the minister would not consider this grain as grain falling within the category set out in this subparagraph.

Mr. Sauvé: I suggest the hon. member consult the definition of "designated area" in clause 2 appearing on page 1 of the bill, which states that it is the prairie provinces which are designated, rather than eastern Canada. Clause 2(1)(e) states:

"designated area" means that area comprised of the provinces of Manitoba, Saskatchewan and Alberta and those parts of the province of British Columbia known as the Peace River—

Mr. Peters: Mr. Chairman, clause 19(c)(i) states:

—any area in Ontario lying west of the meridian passing through the eastern boundary of the city of Port Arthur to be part of eastern Canada,—

• (9:50 p.m.)

I presume that to be the designation of a consumption area. There may be some clarification in this regard in that there is a distinction between areas designated as consumption and production areas. Obviously if production takes place in an area falling in the eastern designated area the board should be able to handle this product. If this is not done we will immediately receive many complaints. Perhaps there just needs to be some clarification in the clause with regard to designation, because as the clause now stands it indicates to me at least that the farmer in eastern Canada will not be able to designate any wheat production as a feed grain.

Mr. Sauvé: Mr. Chairman, the provisions of the bill, the terms of payment, and so on, apply to eastern Canada. In the definition of this bill eastern Canada starts at Port Arthur and covers those areas in any parts of Ontario that could be designated by order in council, and some parts of British Columbia. These are the areas to which the benefits of the bill are extended.

It is the Wheat Board that designates the grade of wheat grown in a specific area as not being a feed grain. Regulation 595 applies in this regard. You have to refer to clause 2 and the definition of such area. Clause 2 (1) (e) says:

"designated area" means that area comprised of the provinces of Manitoba, Saskatchewan and Alberta—

And so on. It is the Wheat Board which decides what grains are feed grains, and those which are not. A similar regulation is found in other legislation of this type.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Canadian Livestock Feed Board

During the taking of the vote:

The Chairman: Order, please. May I request that those hon. members who were not in the chamber when the vote was called step outside, please.

Some hon. Members: Hear, hear.

Amendment Mr. Churchill negatived: Yeas, 43; nays, 85.

The Chairman: Order. I declare the amendment lost. Shall clause 19 carry?

Mr. Danforth: No, Mr. Chairman.

Some hon. Members: Filibuster.

Mr. Danforth: This clause outlines regulations, but as yet there is no regulation anywhere in this bill that deals with grievances and the method of handling them. When the board is set up and these provisions are brought into being, the board will have absolute control to buy, sell, transport, store, set rates, set subsidies and designate movements of grain. It will also have the power to designate the storage and agents to buy, sell and handle all the business that is to be found in the movement of eastern feed grain.

Such intrusion into this great industry, in which millions of dollars are involved, cannot take place without working hardships on some segments of the industry. As a matter of fact, if we are to accomplish the very purpose we set out to accomplish in this bill it is very probable that grave financial losses could be incurred by the trade. I hold no particular brief for the trade, but I am justly concerned that anyone who is suffering financial hardship, whose business is impaired in any way, should have a place to which to bring his grievances, in order that he might receive the just and careful consideration to which he is entitled.

It had been my hope that when the amendment was brought in the regulations could be brought under annual review by this house or a standing committee, that this could be the forum to which people could make representation, before which witnesses could be called and the matter could be investigated in depth, and if a hardship was found to exist the necessary steps could be taken to correct the grievance.

This is one of the regulations I am most concerned about, namely that there be some forum which could consider a redress of grievances, and justice could be done promptly without a delay of many months. I would hope that the minister would not give me the stock answer that representations could be made in the regular way. There are three avenues of approach in this regard. There is the direct approach to the minister, the direct approach to the board that is to be constituted, or perhaps the approach is to the advisory committee that will be set up to advise the board. The various segments of this industry will be very interested in knowing what is the proper approach to take and the one that will take the least possible time. I would hope that the minister could in some detail spell out what he considers to be the proper avenue of approach, in order that such grievances may be redressed correctly, justly and quickly.

Mr. Sauvé: This is an administrative board, Mr. Chairman. Since it is an administrative board, it has the same powers and acts in the same way as other boards. In fact its conditions are similar to those under which the Wheat Board operates. A farmer can appeal against a decision of the Wheat Board, and he will be able to appeal against a decision of this board. If the board surpasses its authority people can, by prerogative writ, take their grievances to the courts.

Mr. Danforth: Am I to understand from the minister's answer that the only redress, the only appeal in respect of hardships that are being brought about if this legislation is passed is recourse by private individuals or corporations to the courts? There must be some approach to parliament or through parliamentary representatives in order to bring about a redress, if such is found to be necessary.

Mr. Sauvé: If the board surpasses the autority given it by this bill, this step could be taken; otherwise—and I discussed this matter last Friday—members of parliament can be made aware of the problems of their constituents. I do not see how this method differs from the normal methods contained in legislation with respect to similar boards.

• (10:00 p.m.)

Clause 19 agreed to.

Mr. Danforth: It is ten o'clock, Mr. Chairman.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, tomorrow the house will be asked to consider Item No. 82 on today's order paper, second reading of the medicare bill.

Mr. Speaker, before you announce the adjournment proceedings, I understand a wish has been expressed by some hon. members that we dispense with the usual adjournment proceedings tonight, and I understand there is agreement on that.

Mr. Deputy Speaker: Does the house give unanimous consent to dispense with the adjournment debate?

Some hon. Members: Agreed.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, October 12, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. NUGENT—ALLEGED TAMPERING WITH WITNESS BY DEFENCE MINISTER

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, I rise on a question of privilege affecting all hon. members of this house. I am glad to see that the Minister of National Defence has taken his place, because the charge affects that minister.

My charge, Mr. Speaker, is simply this; that the Minister of National Defence has breached the privileges of this house by tampering with a witness in respect of the evidence to be given before a committee of this house, the witness being Rear Admiral W. M. Landymore, the committee being the standing committee on national defence, and the evidence in question being the admiral's brief presented to the committee on June 23, 1966.

Mr. Speaker, a brief résumé of the facts I believe is necessary to establish a prima facie case of breach of privilege. For the purpose of the prima facie case I will deal very briefly with the events as I understand they occurred. The committee requested the presence of Admiral Landymore before it to give evidence in respect of his command; the admiral prepared a brief of the evidence which he thought was requested and which in his opinion was necessary to comply with the wishes of that committee.

The admiral was requested or ordered by the Minister of National Defence to appear in the minister's office prior to meeting with the committee for the purpose of having the minister hear that brief. The brief was presented orally to the minister in his office, and at the conclusion of that presentation the admiral was requested to leave a copy with the minister. Quite late that evening the brief was returned to the admiral, and when he checked it over he found that part of it had been taken out—four pages to be exact—and two pages substituted therefor. My instructions are that he saw the minister the next morning, at which time the minister indicated and defended the reason the brief was changed.

• (2:40 p.m.)

The admiral says he did not consent to the change in the brief and that the changes made were very substantial in that they related to the personnel question in the command. He indicated that not only were four pages taken out of the brief, but an accompanying chart and a graph were missing.

In my opinion the result of this was that an important part of the admiral's testimony to the committee was removed with some innocuous words substituted therefor. This deprived the committee of information which was absolutely essential if that committee was to give consideration to the points in respect of which it was meeting.

It is my contention, sir, that neither the minister nor anyone else has the right to interfere with a witness or the testimony he intends to give, and that this is sufficient to establish a prima facie case. I have some references as to the legal situation, but let me say briefly at this time that the charge is based on citation 308 of Beauchesne. Let me read the first sentence of that citation. It states:

> To tamper with a witness in regard to the evidence to be given before either house or any committee of either house or to endeavour directly or indirectly, to deter or hinder any person from appearing or giving evidence is a breach of privilege.

That is the breach of privilege alleged, Mr. Speaker. If the Chair wishes further support of my argument I shall be pleased to provide it.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I have listened with a great deal of interest to the question of privilege raised by the hon. member for Edmonton-Strathcona. That hon. member referred to one citation of Beauchesne, and I should like to refer him to another, namely citation 104(5) which reads in part as follows:

> As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity.

I should also like to refer the hon. member to page 378 of May's seventeenth edition, where the following is stated:

The matter must be raised at the earliest opportunity. A matter of privilege which claims precedence over other public business should be a subject which has recently arisen.

The older rulings applied a further condition, that a matter to secure precedence must be one of urgency. But this condition seems to have been waived, and later Speakers have satisfied themselves with insisting that a matter should be raised at the earliest opportunity.

A matter which occurred during the recess was refused precedence as a matter of privilege because it was not raised at the commencement of the session.

Similarly a matter concerning an article in a newspaper published on 6 May was refused precedence because it was not raised till the 14th and a speech reported on a Saturday because it was not raised until the following Tuesday. On the other hand, when special circumstances justified it, the Speaker has permitted a member to raise a matter on the day following the date of issue of the newspaper containing the article complained of.

These citations show how strict are our rules and precedents in connection with the necessity of raising a matter at the earliest possible opportunity.

The hon. member knows, as all hon. members know, that we have any number of precedents on this very important point. I have one before me, reported in *Hansard* of May 10, 1966, at pages 4923-24. On that day the hon. member for Québec-Montmorency raised a matter referring to a broadcast of the C.B.C. on May 5. The Chair ruled as follows:

Since this involves a matter which, according to the hon. member himself, goes back to Thursday last, I do not feel the question of privilege has been raised at the earliest opportunity. For this reason, I cannot find that a question of privilege exists in the circumstances.

The hon. member knows this question has been raised on a number of occasions in the current session. In particular the hon. member for Halifax (Mr. Forrestall) raised this very matter in connection with a proposal for adjournment under standing order 26 on September 7 last, and on August 30, 1966 a number of questions were asked by the hon. member for Vancouver East and the right hon. Leader of the Opposition.

It is obvious that this matter has not been raised in the form of a question of privilege at the earliest possible opportunity. For this reason I must rule, not on the question of whether there is a prima facie case but on the point of order as to whether this matter has been raised at the earliest opportunity, and I suggest to the hon. member that he has not satisfied this requirement.

Mr. Nugent: Mr. Speaker, may I be heard on that point of order? I regret that it had not occurred to me to give the Chair—

[Mr. Speaker.]

Mr. Speaker: Order, please. I suggest to the hon. member that this is a very simple point. I see no purpose in reopening the question. I do not want to be unfair to the hon. member. He has a matter which he considers of great urgency and I recognize, with him, that it is a matter of considerable importance. But to the Chair this is such an obvious point, namely that a matter has to be raised at the earliest opportunity, and it is one on which we have had any number of precedents. It has been raised by the hon. member for Halifax and the right hon. Leader of the Opposition. I do not think the matter can be reopened at this time as a question of privilege.

Mr. Nugent: I am sure I can satisfy the Chair that this is the earliest opportunity, and I should like to be heard on that point. I submit to Your Honour that the only point that has occurred to you so far is the lapse of time, and I should like to very briefly present to you argument in support of my contention that this is my earliest opportunity, by relating the facts.

First, I was not a member of the committee. Second, this is a very, very serious matter and a very important matter. It is a charge against a minister of the crown, that cannot be raised lightly. It is true there have been several references in this house to the Landymore testimony, but the minister has always given explanations which might or might not cover the situation.

Therefore, Mr. Speaker, the only time I had an opportunity to check into this matter was when I became aware of the facts and convinced of the facts so that I had proof of statements made. Only at that time was it possible for me to raise the matter, bearing in mind the responsibility of a member not to raise such matters lightly and without investigation. I came into possession of evidence in this case only last week end when I went to Halifax and heard Admiral Landymore swear positively to the facts so that there was, then, evidence.

Some hon. Members: Oh, oh.

Mr. Nugent: It was at that point, and only at that point, that I had satisfied myself with regard to the possibility of raising this matter in the house.

Mr. Speaker: I appreciate the hon. member's anxiety to express his point of view on the point of order as to whether he raised the question at the earliest opportunity. My suggestion to him and my submission to the house is that it is not the sense of the rules

and the purport of the practices of this chamber that when after a month, two months or six months a member has satisfied himself that he has a good case he can come forward and raise the matter as a question of privilege.

I suggest to the hon. member that there is no precedent whatever that I have been able to ascertain or that I could quote in support of the hon. member's point of view. With regret I must maintain the ruling I made a moment ago, that this matter having been raised—and it is substantially the same matter that the hon. member now raises—and put before the house by way of questions, and particularly as a motion by the hon. member for Halifax under standing order 26, it cannot be considered now.

• (2:50 p.m.)

Mr. Nugent: Mr. Speaker, I believe I am entitled to present my case to prove to the Chair that this is the earliest opportunity.

Mr. Speaker: Order, please.

Mr. Hellyer: Mr. Speaker, may I have a moment to speak on a point of order?

Mr. Speaker: Order, please. If the minister of defence is allowed to make a statement now, we will obviously have a debate.

Some hon. Members: Agreed.

Mr. Speaker: The rule of the house is very clear and simple. I suggest to the hon. member for Edmonton-Strathcona that he is bound by it. This ruling is common practice, and I am sure that hon. members will want to respect it and abide by it. I am convinced it is the correct ruling under the present circumstances.

Mr. Nugent: I am bound by your ruling, Mr. Speaker, but I still think I am within the rule, and I think I can so persuade Your Honour. I believe it is one of the oldest rules in this house that a member cannot be deprived of his right to speak and to see whether he is within the rules, and I ask Your Honour for that right.

Mr. Speaker: Order, please. Of course every member has the right to speak, but he can only do so within the rules. There are rules governing debate, rules which specify when a member can intervene, and these rules govern all members including the hon. member for Edmonton-Strathcona. I realize how important this matter is to him and how important it is to the Minister of National Defence, but if the hon. member thinks this is a matter which should be considered by the house there are other ways of doing it. He can give notice of a motion which will be placed on the order paper. I realize this is not much consolation to the hon. member, but this is what the rules provide for. The Chair did not make the rules, but I am required to ask hon. members to co-operate with me to have them respected.

Mr. Nugent: Mr. Speaker, I am not asking to be relieved from the rules. There are very strict and stringent rules on how a member may rise in his place and take the responsibility for charges which are made in the house. These require extreme care and caution if the house is to consider them; they cannot be made recklessly. It is therefore the duty of the member to be very sure of what he is doing and not to make this kind of charge without proof. I have followed that rule, and I obtained the proof during the week end. I therefore thought it my duty to raise it in the house in this manner.

Mr. Speaker: The hon. member is reiterating his position. If parliament is to function at all, if this House of Commons is to operate in the way in which every hon. member wants it to operate—and I am sure the hon. member for Edmonton-Strathcona wants it to operate with order and within the rules which hon. members have established—I would ask the hon. member to assist the Chair and to recognize that I have no alternative but to ask that we proceed with the orders of the day.

Mr. Nugent: May I then ask if Your Honour is ruling that having only obtained the evidence during the week end, and having to consider the proper form in which it should be presented and to make sure I had sufficient evidence to present to the house today, this is not the earliest opportunity and that I have no right after a delay of one day to make this charge bearing in mind my responsibility to the house?

Mr. Speaker: Order, please.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I rise on a question of privilege. With that respect to Your Honour which I have shown at all times, may I suggest to you, sir, that to rule out the motion to be made by the hon. member for Edmonton-Strathcona without a question of order having been raised by any member of this house was not giving the hon. member the right which he has to argue

before you make a decision. In this case, as soon as the general outline was given you rose immediately and ruled it out of order without permitting argument. On reflection I think you will agree this is something which does not make for the amenities which we expect in the House of Commons. I repeat that the right to be heard or at least to have one side of the argument placed before the Speaker should not be denied to any member of this house.

Some hon. Members: Shame.

Mr. Speaker: Order, please.

Mr. Hellyer: On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. There can be only one question of privilege at a time. We had a rather difficult experience just a few months ago and I hope we do not have to go through the same experience again. At that time I tried to establish the fact, on the basis of rulings made in days gone by, that there should be only one question of privilege. I suggest to the minister who seeks to speak now that he should not raise a second question of privilege.

There was a motion made by an hon. member, and the right hon. Leader of the Opposition very properly suggests that the Chair should have allowed more members to contribute to the point of order that the question of privilege was raised at the earliest possible opportunity. I did allow the hon. member who raised this point—after all, it is his motion—to express his views after I had made a preliminary ruling as to whether this matter had been raised at the earliest opportunity. What he has said has not changed my view.

Now, looking at this matter very objectively, I cannot see what further arguments could be brought in addition to those submitted by the hon. member. His argument is that he came upon facts in recent days, reached a decision and then raised his question of privilege. His suggestion is that this same point might be raised two weeks from now or two months from now by another hon. member who comes upon additional facts upon which he reaches his own personal conclusion.

This places the Chair in an extremely difficult position. I have made a ruling which I think is a fair one under the circumstances.

Mr. Nugent: I asked Your Honour before I sat down if there was anything further needed to establish my argument, and if so I asked to be heard further. I had expected if I had not established the case—and the factor of time had been mentioned—Your Honour would have allowed me to speak on that since I had forgotten that point might be raised. Then I want to make this point that, in view of the seriousness of the charge and the responsibility of members, it was not until I had the sworn affidavit—not hearsay, not rumour, but sworn evidence from a responsible person in a responsible position that I felt this was the sort of thing which a member could bring before the house.

Even then, in my view, this was such a serious charge that one had to be extremely careful as to the manner and form in which it was presented. All the evidence had to be considered, including the statements before the committee, the statement of the minister, the various precedents and rulings, so that if I were going to present it I had to present it correctly.

I suggest to Your Honour that my argument is very simple. I did not come into possession of the evidence which was necessary until the week end. I spent yesterday in preparation and making sure that the manner of presenting it was proper. This is therefore the first opportunity I have had to raise this matter in a responsible manner before the house. One day is not undue delay, even on the precedents Your Honour read to me. Certainly in view of the seriousness of this question, and the responsibility placed upon a member who raises it, a day's delay is not undue delay.

With all due respect to Your Honour, therefore, now that I have placed the facts before you and brought myself within the scope of the precedents you quote, I believe I should have satisfied the Chair and the house that I brought this matter forward at the first reasonable opportunity.

• (3:00 p.m.)

Mr. Speaker: The hon. member has repeated very forcefully the arguments he made to me a few minutes ago, and to which I listened for the second time with interest and attention. This is a question of judgment. Really, there is no hard and fast rule by which the Speaker can decide. The Chair has precedents to guide him. The Speaker must go by these precedents and follow the rules, and then he must form a judgment. I do not pretend that my judgments are right all the time. I admit that I have made my share of rulings which perhaps were not what they should have been; but I must go by the

judgment I form, and based on that judgment I have reached the conclusion, rightly or wrongly, that this question was not raised at the earliest opportunity.

I must suggest to the hon. member that the decision of the Chair should not be changed at this time. The arguments submitted to me by the hon. member for Edmonton-Strathcona have been taken into due consideration in arriving at my decision, which I should now like to confirm.

Mr. Nugent: Mr. Speaker, your ruling cannot be challenged, of course, but I am wondering whether Your Honour has reflected on the fact that since rules are made for the purpose of expediting the work of the house, it should be possible to consider this question in a proper and orderly manner. I am sure you will agree with me that if I have not quite complied with the rules, I have been very close to doing so.

Since I have already put on the record my accusation against the minister I think it would be only fair to him to give him the chance to answer, because the matter is of such a serious nature. I do not think anyone in the house would be satisfied to leave the matter in this position, the minister having been charged with something, for which charge I am willing to take responsibility. Are we going to let the injustice of this situation prevail? Is this house to remain quiet without looking into it further, without giving the minister a chance to defend himself and let the house know whether the charges are responsible? I suggest that you do have the right to reverse your own decision if you feel like doing so.

Mr. Speaker: Order, please. I regret to advise the hon. member that I do not feel like reversing my decision. I realize full well the point raised by the hon. member, that we now have on the record certain charges, but they were there before.

Some hon. Members: No.

Mr. Speaker: Order, please. The ruling has been made. If hon. members feel that the judgment of the Chair is at fault the rules are in their hands, and they can change the rules to make it possible to appeal decisions of the Chair. However, at the moment this is the situation with which we are faced. The very purpose of changing the rules in the way we did was to express confidence—again rightly or wrongly—in the Speaker's judgment. I have made my ruling and I shall have to confirm it.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to raise a point of order which is based on a statement you made earlier to the house. Your referred us—

Mr. Martin (Essex East): A point of order in relation to the Speaker? Never with respect to the Speaker.

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre knows that I cannot accept a point of order which relates to the ruling which has already been made. That is contrary to the rules of the house.

Mr. Churchill: Mr. Speaker, my point of order, which I have not yet expressed, is not with respect to your ruling. My point of order deals with this matter. I should like your advice. I should like to lay a charge against the Minister of National Defence on the ground of having misled the house, as it appears to me. The only information received by me to confirm this misleading of the house reached me yesterday at noon, and there was no chance to make adequate preparation for presentation yesterday afternoon.

Now, sir, the impression that has been left with the house is that on August 30, when questions were raised as to whether there had been deletions from the evidence given to the committee, the minister gave an adequate reply. This is exactly the point on which I should like to have some advice. As reported at page 7797 of *Hansard* for August 30 the hon. member for Vancouver East asked the minister:

> —was anything cut out prior to the presentation?

The minister replied:

> The admiral deleted from his original text two or three references to friendly nations which it was felt would have had rather serious consequences to Canadian external affairs had they been made to the committee.

I submit, sir, that he deleted, as we now know, four pages of text relating to the defence of Canada. That is the subject I should like to have the privilege of raising at my earliest opportunity, which is now.

Mr. Crouse: Lied to the house.

Mr. Horner (Acadia): Another Profumo.

Mr. Speaker: Order. What is now being raised by the hon. member for Winnipeg South Centre is exactly the same point which was raised before.

Some hon. Members: No.

Mr. Speaker: Order, please. The ruling I have made on the motion presented by the hon. member for Edmonton-Strathcona must apply to the matter now raised by the hon. member for Winnipeg South Centre. My suggestion was not that the minister had given an adequate reply; I made no reference to this. My ruling was simply that this subject was raised and questions about it posed on a number of occasions by the hon. member for Vancouver East, by the right hon. Leader of the Opposition and by the hon. member for Halifax (Mr. Forrestall). So the matter itself is not a new matter.

Mr. Churchill: Mr. Speaker, may I raise this point of order with you. At what stage in the proceedings of this house may I lay a charge against the minister for misleading the house when he said that the admiral deleted from his original text "two or three references", etc? I found out yesterday at noon that it was not the admiral who made the deletions but the minister, and the deletions were four pages of text. When can I raise that issue, Mr. Speaker? Can I raise it now? When is the earliest opportunity? I submit that it is today.

Mr. Hellyer: That is false.

Mr. Speaker: The Chair cannot enter into argument with the hon. member for Winnipeg South Centre. I think he should not ask questions of the Chair, because that is not proper procedure in the house. I cannot answer these questions theoretically, in an abstract manner, the way they are being asked at the present time.

Mr. Churchill: Then I give notice, Mr. Speaker, that I will raise this question at the earliest opportunity, which will be tomorrow.

Mr. Forrestall: Mr. Speaker—

Mr. Speaker: I wonder whether the hon. member would co-operate with me. The hon. member for Winnipeg South Centre has now raised a different matter. We may go through all this again tomorrow, though I hope not.

Mr. Forrestall: We will.

Mr. Speaker: Quite possibly. But once again a ruling has been rendered, and I would now like to proceed with the ordinary business of the house.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to co-operate with Your Honour but my point is similar to the point raised by the hon. member for Winnipeg South Centre. I think the ruling that you made was correct when you ruled that anything the admiral said was admissible. But as I understand the explanation of this, a charge has been made in connection with something the admiral did not say and why he did not say it, which I think is an altogether different question. One question is what he did say and the other is what he did not say. I think your ruling could stand but that you could also accept the motion of the hon. member for Edmonton.

Mr. Speaker: I am afraid that this is a little too complex for my limited understanding.

[Mr. Speaker.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPROPRIATION OF QUEBEC LAND FOR HIGHWAY CONSTRUCTION

Question No. 1,518—**Mr. Bell (Carleton):**

1. Has any request been received from the government of Quebec for assistance in expropriation of lands for the construction and improvement of Quebec highway number 8?

2. If so, what is the nature of such request and what action has been taken thereon?

3. If not, has the government taken note of published reports of statements by the premier of Quebec that the National Capital Commission should handle these expropriations?

4. If it has, what action has been taken to verify these reports and with what result?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. The request was that the federal government participate with the Quebec government in the relocation of that section of highway number 8 from the Gatineau river to 1½ miles east of the town limits of Aylmer and the construction of the highway to freeway standards as proposed in the Ottawa-Hull area transportation study of 1965. The work will involve expropriation of land by the federal government. Negotiations as to the extent of sharing are proceeding. An agreement has not as yet been signed.

3. Not applicable.

4. Not applicable.

PER CAPITA HOUSING INVESTMENT

Question No. 1,618—**Mr. Orlikow:**

1. For the last year for which figures are available, what was the total per capita investment in housing for the people of Canada?

2. In the same year, what was the total per capita investment for Indian housing from Indian affairs branch appropriations, band revenues, and individual contributions?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and Indian Affairs and Northern Development as follows: 1. Information is not available on the total amount of money invested in existing dwellings. However, according to the 1961 census of Canada, the median value of 2,154,692 owner occupied, single detached, non-farm homes was $11,021.

If the question refers to the total amount of money invested in new housing construction, conversion of existing structures into new dwellings, major improvements and alterations, but not repairs, during 1965, it is estimated at $2,133,513,000. On this basis and using the population estimate of June 1, 1965 of 19,519,000, the per capita investment in housing during 1965 would be $109.31.

2. The total investment in Indian housing in Indian communities during the fiscal year 1964-65, from Indian affairs branch appropriations, band revenues and individual contributions was $25 per capita.

GIBSON INDIAN BAND FUND

Question No. 1,757—**Mr. Rapp:**

1. What was the original amount credited to the band of Indians on the Gibson Indian reserve at the time of sale of a portion of the reserve?
2. What is the present amount remaining to their credit?
3. What payments from said fund have been made each year since 1955 and to whom?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Since the establishment of the Gibson Indian reserve there have been the following land transactions from which revenues were derived and deposited to the credit of the band: (a) Transfer of 38.75 acres to Hydro Electric Power Commission of Ontario in 1932, $1,062.50; (b) Transfer of 98.40 acres to Hydro Electric Power Commission of Ontario in 1941, $1,968. (c) Transfer of 8.93 acres to Hydro Electric Power Commission of Ontario in 1942, $178.60; (d) Transfer of 50.803 acres to the province of Ontario in 1958, $508.03.

2. These amounts were not credited to a separate fund but deposited to the capital account of the band. As at July 29, 1966, the amount standing to the credit of the band in the capital account was $63,088.83. In addition, there was a balance of $10,695.33 at the same date in the revenue account of the band.

3. As indicated above, the amounts derived from the foregoing land transactions were not credited to a separate fund but deposited to the capital account of the band, and it is therefore not possible to relate specific disbursements to specific credits.

RETIREMENT OF SENIOR ARMED FORCES PERSONNEL

Question No. 1,871—**Mr. Harkness:**

1. Since January 1, 1965, how many officers of the rank of commodore and above in the navy, brigadier and above in the army, air commodore and above in the R.C.A.F., have ceased to be members of the permanent forces, or have been given notice that they would be retired, or have sent in their resignations?
2. In each case, what is the name of the officer, the appointment held by him, his age and, where applicable, the number of years and months he would have to go to normal retirement age?
3. In each of the above cases indicate whether the officer retired on reaching normal retirement age, whether he put in his resignation of his own volition, or whether he was asked to retire.
4. How many officers of the ranks indicated in part 1 have been promoted in rank, what are their names, and ages as of the date of promotion?
5. What will be the total amount of their pensions from the date of their retirement until their normal retirement date?

Hon. Paul Hellyer (Minister of National Defence): 1. From January 1, 1965, to August 30, 1966, 79.

2. and 3.

Name	Rank	Age	Appointment	Length of time to Normal Retirement Age	Category of Release
H. S. Rayner	Vice Admiral	54	Chief of the Naval Staff	9 mos.	5(c)
T. B. MacLean	Surg. Rear Admiral	54	Surgeon General	5 mos.	4(a)
A. B. F. Fraser-Harris	Commodore	48	A/CNS (Air & Warfare)	6 yrs. 7 mos.	5(c)
H. L. Quinn	Commodore	55	DS N.D.C.	Nil	5(a)
H. V. Groos	Commodore	53	DG ROTP	1 yr. 7 mos.	5(c)
P. D. Taylor	Commodore	55	COND	Nil	5(a)
H. A. Winnett	Commodore	52	COMSUPTPAC	2 yrs. 8 mos.	5(c)
E. G. Foote	Chaplain VI	55	CHAP GEN (P)	Nil	5(a)
J. Deane	Commodore	55	DCNTS	Nil	5(a)
H. A. McCandless	Commodore	52	DG Accounting Svcs	2 yrs. 1 mo.	5(a)
J. B. Caldwell	Rear Admiral	52	DG Logs, Eng & Develop	2 yrs. 4 mos.	5(c)
A. G. Boulton	Commodore	55	COMBRAX, ESQ	Nil	5(a)
C. J. Dillon	Rear Admiral	55	Deputy CG	Nil	5(a)
W. M. Landymore	Rear Admiral	50	CANMARCOM	4 yrs. 3 mos.	5(c)
M. G. Stirling	Rear Admiral	51	CANMARPAC	2 yrs. 11 mos.	5(c)
R. P. Welland	Rear Admiral	49	DC Operations	5 yrs. 11 mos.	5(c)
M. J. Jette	Commodore	54	Sr. Naval Officer St. Lawrence River Area	3 mos.	4(c)
J. M. Doull	Commodore	50	Chief Sea Logs Group MATCOM	4 yrs. 8 mos.	5(c)
K. L. Dyer	Vice Admiral	51	Chief of Personnel	3 yrs. 3 mos.	5(c)
D. W. Piers	Rear Admiral	54	COMD, CDLS(W)	1 yr.	4(a)
H. G. Burchell	Rear Admiral	55	DG/Logistics/CTS	Nil	5(a)
G. Walsh	Lieutenant-General	56	Vice Chief of the Defence Staff	Nil	4(a)
R. W. Moncel	Lieutenant-General	50	Vice Chief of the Defence Staff	5 yrs.	5(c)
F. J. Fleury	Lieutenant-General	52	CG	2 yrs. 1 mo.	5(c)
G. Kitching	Major General	55	GOC Central Comd	Nil	5(a)
C. B. Ware	Major General	53	Comdt NDC	1 yr. 2 mos.	5(c)
J. M. Rockingham	Major General	54	GOC Western Comd	2 mos.	4(c)
R. L. Purves	Brigadier	54	SEC DS	7 mos.	5(c)
R. M. Bishop	Brigadier	53	Director NDC	1 yr. 1 mo.	5(c)
J. S. Ross	Brigadier	54	Comd East Ont Area	2 mos.	5(c)
J. A. W. Bennett	Brigadier	54	Comd CAS Washington	4 mos.	5(c)
A. F. B. Knight	Brigadier	55	Comd NB Area	Nil	5(a)
W. J. Moogk	Brigadier	55	Comd Camp Borden	Nil	5(a)
H. A. Phillips	Brigadier	55	DGSA	Nil	5(a)
D. Menard	Brigadier	52	Specially emp CFHQ	2 yrs. 6 mos.	5(c)
D. C. Cameron	Brigadier	55	Comdt CASC	Nil	5(a)
G. C. Leech	Brigadier	55	Comd Alta Area	Nil	5(a)
G. J. H. Wattsford	Brigadier	55	MA Laos	Nil	5(a)
H. E. Brown	Brigadier	54	SMA Viet Nam	11 mos.	5(c)
F. E. Anderson	Brigadier	54	DG Finance	6 mos.	4(c)
W. S. Murdoch	Brigadier	54	Comd West Ont Dist	8 mos.	5(c)
J. S. McCannel	Brigadier	55	DSG (Admin)	Nil	5(a)
J. R. Millar	Brigadier	55	Chaplain Gen (P)	Nil	5(a)
K. M. Baird	Brigadier	55	DGDS	Nil	5(a)
C. R. H. Charlebois	Brigadier	55	Chaplain Gen (RC)	Nil	5(a)
J. P. E. Bernatchez	Major General	54	VCGS	1 yr.	5(c)
H. W. Love	Brigadier	52	DGPO	3 yrs. 6 mos.	5()c
J. B. Clement	Brigadier	55	DOC Central Ont Dist	Nil	5(a)
J. B. Allan	Brigadier	51	VQMG	3 yrs. 11 mos.	5(d)
E. Poole	Air Commodore	55	AFHQ Chief Telecomm	Nil	5(a)
V. Millard	Air Vice Marshall	54	AFHQ Comptroller	8 mos.	5(c)

Name	Rank	Age	Appointment	Length of time to Normal Retirement Age	Category of Release
J. Millward	Air Vice Marshall	54	AOC/AMC	6 mos.	4(c)
R. Cameron	Air Vice Marshall	55	MA to Cdn Del Paris	Nil	5(a)
J. Harvey	Air Vice Marshall	55	CO NNRHQ North Bay	4 mos.	4(a)
M. Martin	Air Vice Marshall	52	DCP	2 yrs. 4 mos.	4(c)
R. Whiting	Air Commodore	55	DC/CE	Nil	5(a)
M. Lister	Air Vice Marshall	54	CDR/ADC	2 mos.	4(a)
C. L. Annis	Air Marshall	55	Chief Tech Svcs	Nil	5(a)
F. R. Millar	Air Chief Marshall	58	CDS	Nil	5(a)
D. A. Bradshaw	Air Vice Marshall	55	AOC/1 Air Div	Nil	5(a)
C. H. Greenway	Air Vice Marshall	52	Comd HQ NNR North Bay	2 yrs. 5 mos.	5(c)
R. H. Bray	Air Commodore	55	AFHQ/AMTS/CAE	Nil	5(a)
G. D. Caldbick	Air Commodore	55	CFMS	Nil	5(a)
J. A. Verner	Air Commodore	52	COS Trg Comd	2 mos.	4(a)
E. L. Gerow	Air Commodore	55	AFHQ/Chief of Finance	Nil	5(a)
W. A. Orr	Air Vice Marshall	54	AFHQ/Air Member Pers	6 mos.	4(a)
R. J. Gray	Air Commodore	50	AFHQ/Comp/Chief Org & Manage	3 yrs. 1 mo.	4(a)
M. M. Hendrick	Air Vice Marshall	55	AOC/ADC	Nil	5(a)
C. R. Slemon	Air Marshall	61	Dep Cdr NORAD	Nil	5(a)
N. W. Timmerman	Air Commodore	53	Dep Cdr 29 NORAD Reg	Nil	5(a)
S. G. Cowan	Air Commodore	55	AFHQ/AMTS/CMAT	Nil	5(a)
D. Gooderham	Air Commodore	55	DG Comm	Nil	5(a)
G. H. Newsome	Air Commodore	53	Air Member CDLS(W)	Nil	5(a)
G. H. Elms	Air Commodore	53	25 NORAD Reg HQ	Nil	5(a)
E. B. Hale	Air Commodore	53	Duty at AAFCE	Nil	5(a)
C. W. Burgess	Air Commodore	52	AOC/Trg Comd HQ	8 mos.	5(a)
W. P. Gouin	Air Commodore	55	Comd CDLS(L)	Nil	5(a)
G. G. Diamond	Air Commodore	53	AOC/ATC	Nil	5(a)
C. G. Ruttan	Air Commodore	51	Cdr Ottawa NORAD Sector	2 yrs. 2 mos.	5(c)

4. 55. Vice Admiral R. L. Hennessy, 48; Rear Admiral H. G. Burchell, 54; Read Admiral J. C. O'Brien, 48; Rear Admiral J. A. Charles, 46; Rear Admiral D. McClure, 51; Rear Admiral S. E. Paddon, 49; Commodore R. W. Timbrell, 46; Commodore R. J. Pickford, 46; Commodore R. M. Battles, 48; Commodore A. G. Bridgeman, 48; Commodore R. V. Henning, 48; Commodore F. D. Elcock, 48; Commodore R. H. Leir, 44; Commodore H. A. Porter, 46; Commodore R. S. Stephens, 42; Commodore D. S. Boyle, 42; Commodore D. A. Collins, 46; General J. V. Allard, 53; Lieutenant-General F. J. Fleury, 52; Lieutenant-General L. G. C. Lilley, 53; Lieutenant-General W. A. B. Anderson, 51; Major-General M. R. Dare, 49; Major-General D. A. G. Waldock, 51; Major-General B. F. MacDonald, 49; Brigadier J. R. Millar, 55; Brigadier D. W. Cunnington, 50; Brigadier E. W. Henselwood, 51; Brigadier E. A. C. Amy, 48; Brigadier W. A. Milroy, 46; Brigadier W. K. Lye, 48; Acting Brigadier L. F. Trudeau, 52; Acting Brigadier J. W. B. Barr, 50; Acting Brigadier H. Tellier, 48; Acting Brigadier E. M. D. Leslie, 48; Acting Brigadier E. C. Cowan, 45; Acting Brigadier B. J. Guimond, 45; Acting Brigadier S. C. Waters, 46; Air Marshal E. M. Reyno, 49; Air Marshal F. R. Sharp, 51; Air Vice Marshal F. W. Ball, 50; Air Vice Marshal F. S. Carpenter, 52; Air Vice Marshal R. C. Stovel, 45; Air Vice Marshal M. E. Pollard, 46; Air Vice Marshal R. J. Lane, 46; Air Commodore J. K. F. MacDonald, 49; Air Commodore R. A. Gordon, 48; Air Commodore E. D. Armour, 50; Air Commodore W. K. Carr, 43; Air Commodore D. B. Biggs, 44; Air Commodore G. J. J. Edwards, 44; Air Commodore E. S. Light, 52; Air Commodore W. J. Grant, 48; Air Commodore C. H. A. Thompson, 45; Acting Air Commodore D. W. Goss, 44; Acting Air Commodore R. P. St. John, 40.

5. $811,011.00 approximately.

SENIOR OFFICERS ON ACTIVE SERVICE

Question No. 1,891—**Mr. Forrestall:**

What total number of officers with the rank of naval commodore, and other service rank equivalents by service, were on active service in the armed forces as at January 1, 1960, 1961, 1962, 1963, 1964, 1965 and 1966?

Questions

Hon. Léo Cadieux (Associate Minister of National Defence):

	1960	1961	1962	1963	1964	1965	1966
R.C.N.	23	19	21	23	24	22	20
CA(R)	36	36	35	40	40	37	34
R.C.A.F.	34	37	37	33	33	31	31
Total	93	92	93	96	97	90	85

STEPS TOWARD UNIFICATION OF ARMED SERVICES

Question No. 1,892—**Mr. Forrestall:**

1. What steps have already been taken toward unification of the three armed services?
2. Under what authority were these changes made?

Hon. Paul Hellyer (Minister of National Defence):

1. The integration of the armed forces of Canada under a single chief of defence staff, and a single defence staff.

2. Bill C-90, 1964.

ARMED SERVICES CLOTHING

Question No. 1,893—**Mr. Forrestall:**

1. What is the total cost of a new issue of clothing for the members of the armed services?
2. What is the dollar value of the current stock of service clothing on the shelf?
3. What will be done with the stock?

Hon. Léo Cadieux (Associate Minister of National Defence):

1. A uniform jacket and trousers costs $40. An issue to each W.O.2. and below of the regular force would require approximately 86,000 uniforms and would cost $3,440,000.

2. The dollar value of uniform jackets and trousers related to 1 above in stock is approximately $7,000,000.

3. Existing stocks will continue to be used as required.

ARMED SERVICES EXPENDITURES ON CAPITAL EQUIPMENT

Question No. 1,895—**Mr. Forrestall:**

What are the forecast expenditures for capital equipment for the armed services for 1966-67 and 1967-68 as a percentage of the defence budget?

Hon. Paul Hellyer (Minister of National Defence): 1966-67, 17.1 per cent.

1967-68 This can be determined when the 1967-68 estimates are tabled.

NAVAL EXPENDITURES ON CAPITAL EQUIPMENT

Question No. 1,896—**Mr. Forrestall:**

1. What percentage of the naval budget was spent on capital equipment for the navy during 1960-61, 1961-62, 1962-63, 1963-64, 1964-65, 1965-66 and 1966-67?
2. What percentage is forecast for 1967-68, 1868-69, 1969-70 and 1970-71?

[Mr. Forrestall.]

Hon. Paul Hellyer (Minister of National Defence): 1. 1960-61, 15.9 per cent, 1961-62, 20.9 per cent; 1962-63, 21.8 per cent; 1963-64, 26.0 per cent; 1964-65, 24.1 per cent; 1965-66, 22.3 per cent; 1966-67, 28.5 per cent (Estimated).

2. Until government decisions on the estimates for the years listed are made known no forecast can be made.

NOTICE OF MORALE PROBLEMS, MARITIME COMMAND

Question No. 1,897—**Mr. Forrestall:**

1. Was the Minister of National Defence advised, through proper channels, at any time by the commander, maritime command, during 1965 and 1966 that there were morale problems in his command?
2. If so, what action was taken by the minister in this regard, or by his staff?

Hon. Paul Hellyer (Minister of National Defence): 1. Yes.

2. Cognizance was taken of all points raised and the appropriate remedial action was initiated.

MEETINGS BETWEEN MINISTER AND ADMIRAL LANDYMORE

Question No. 1,898—**Mr. Forrestall:**

1. Did the Minister of National Defence meet with Rear Admiral W. Landymore, commander, maritime command, to discuss command matters from the time he assumed command in 1964 until June 21, 1966?
2. If so, on what dates?

Hon. Paul Hellyer (Minister of National Defence): 1 and 2. Maritime command came into being on 17 January, 1966, and the Minister of National Defence planned to visit the command during the week of June 13, 1966. However, the trip was cancelled when it was learned that the maritime commander had accepted an invitation to be in Europe on official business at that time.

EXECUTIVE ASSISTANT OF DEFENCE MINISTER

Question No. 1,899—**Mr. Forrestall:**

1. What is the name of the executive assistant to the Minister of National Defence?
2. What are his qualifications?
3. Is he now or was he at any time a member of the armed services of Canada?
4. If so, which service and in what capacities and with what ranks?

Hon. Paul Hellyer (Minister of National Defence): 1. William M. Lee.

2. Experience and knowledge as determined by the Minister of National Defence.

3. Yes.

4. Mr. Lee served in the Royal Canadian Air Force from 24 February, 1943, to 11

December, 1964. During that time he held the following ranks and appointments: Flying Officer, Aircrew Navigator (RAF—45 A.T. Group), Public Relations Officer—Central Air Command; Flight Lieutenant, Aircrew Navigator (later switched to Personnel/Public Information), Instructor at RCAF Officer Administration School, Public Relations Officer—Air Force HQs.; Squadron Leader, Deputy Director Public Relations—Air Force HQs, Defence Department Representative—Royal Tour 1951 (Press Arrangements), Deputy Director Public Relations, His Royal Highness, The Duke of Edinburgh tour of Canada 1954; Wing Commander, RCAF Senior Public Relations Officer—NATO Air Division, Europe, Director of Public Relations (RCAF) Ottawa, Co-Chief Press Officer, President Kennedy Visit to Canada (1961), Canadian Government Chief Public Relations Officer, NATO Ministerial Meeting (Ottawa 1963); Group Captain, Director of Public Relations—RCAF—Ottawa, Special Assistant to Minister of National Defence.

PREMATURE RELEASE OF ARMED SERVICES OFFICERS

Question No. 1,901—**Mr. Forrestall:**

1. Prior to premature release and as part of the reduction of the armed forces, were officers asked to volunteer for premature release with a cash bonus as an incentive?
2. If not, for what reason?
3. Is the policy of premature release of officers with a cash bonus completed?
4. If so, has this been officially promulgated to all officers?

Hon. Paul Hellyer (Minister of National Defence): 1. No.

2. Officers who were released prematurely with financial benefits were selected for such release based on certain criteria which permitted the services to retain control of those considered for release.

3. Yes, P.C. 1964-15/1239 dated 13 August, 1964, terminated on 6 May, 1966.

4. Personnel in the rank of army captain (and equivalent) and below, including all non-commissioned personnel, were notified in May 1965 by general message. Other officers affected were notified individually.

SINGLE UNIFORM FOR ARMED SERVICES

Question No. 1,902—**Mr. Forrestall:**

Is it the intention of the government to have a single walking out uniform and rank structure for the three armed services by July 1, 1967?

Hon. Léo Cadieux (Associate Minister of National Defence): Decisions will not be taken on these matters until amendments to the National Defence Act to be introduced at this session have been enacted.

DISCONTINUANCE OF ARMY COUNCIL

Question No. 1,904—**Mr. Forrestall:**

Has the army council in the national defence structure been discontinued and, if so (a) what was its role and purpose (b) on what date was it discontinued (c) what has replaced it?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes. (a) the co-ordination of the various activities of the Canadian army; (b) 1 August, 1964; (c) chief of defence staff and branch heads.

DISCONTINUANCE OF AIR COUNCIL

Question No. 1,905—**Mr. Forrestall:**

Has the air council in the national defence structure been discontinued and, if so (a) what was its role and purpose (b) on what date was it disbanded (c) what has replaced it?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes. (a) the co-ordination of the various activities of the Royal Canadian Air Force and to assist the chief of air staff in making decisions on matters of policy; (b) 1 August, 1964; (c) chief of defence staff and branch heads.

DISCONTINUANCE OF NAVAL BOARD

Question No. 1,906—**Mr. Forrestall:**

Has the naval board in the national defence structure been discontinued and, if so (a) what was its role and purpose (b) on what date was it disbanded (c) what has replaced it?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes. (a) the formulation of naval policy and the co-ordination of the activities of all branches of the Royal Canadian Navy; (b) 1 August, 1964; (c) chief of defence staff and branch heads.

RETIREMENT REQUESTS BY SERVING OFFICERS

Question No. 1,907—**Mr. Forrestall:**

Have any serving officers of the Canadian armed forces written to defence headquarters since June, 1965 asking that they be retired without loss of pension aid, if so (a) how many (b) how many such requests have been granted?

Hon. Paul Hellyer (Minister of National Defence): Yes, however personnel statistics do not record the information asked in (a) and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information; (b) between June 1, 1965, and August 31, 1966, 259 officers were released without loss of pension/annuity. However, in some instances there would be a reduction

in the pension/annuity based on the number of full years by which an officer's age at the time of his retirement is less than the retirement age applicable to his rank. The Canadian Forces Superannuation Act, article 10 (6) (a) (ii) refers.

RETIREMENT OF ADMIRAL BROCK

Question No. 1,908—**Mr. Forrestall:**

1. Was Admiral Brock forced to retire?
2. Has the Minister of National Defence visited Maritime Command Headquarters in Halifax since Admiral Brock's retirement and, if so, when and for what purpose?

Hon. Paul Hellyer (Minister of National Defence): 1. Rear Admiral Brock was released 20 June, 1965, under the provisions of QRCN Article 15.01 item 5(c).

2. Yes, September 20-22, 1966, for the purpose of visiting maritime command.

*PROPOSED NAME FOR UNIFIED FORCE

Question No. 1,909—**Mr. Forrestall:**

What title, if any, is recommended in the Hennessy and Anderson reports as the name of the proposed unified national defence force?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the reports referred to were the result of studies conducted at the instigation of the minister. The contents of such reports are considered to be privileged, and it is not departmental policy to make public such reports.

RETIREMENT OF NAVAL WHITE ENSIGN

Question No. 1,910—**Mr. Forrestall:**

Has the white ensign in the Royal Canadian Navy been retired and, if so (a) on what date and under what regulation (b) why was this step taken?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes (a) On the 15 February, 1965, by order in council 1965-250, dated 11 February, 1965. (b) To conform with government policy that former service ensigns would be retired when the new national flag of Canada was proclaimed on the 15 February, 1965.

FREEDOM OF CHOICE FOR ARMED FORCES PERSONNEL

Question No. 1,911—**Mr. Forrestall:**

In the proposed unified armed force, will officers and men now in the force be given an opportunity to decide freely (a) to enter into a new engagement or (b) retire voluntarily without pension or other penalty?

Hon. Paul Hellyer (Minister of National Defence): As stated at page 8127, official report *House of Commons Debates,* September 7, 1966, unification cannot be accomplished until there is a further amendment to the National Defence Act. Terms and conditions of engagement in the unified force will be set out in the legislation to be introduced in parliament to establish a single force.

USE OF NAVAL CAP TALLY

Question No. 1,912—**Mr. Forrestall:**

In the proposed unified armed force, will the use of the cap tally with a ships name on it, worn by sailors in the Royal Canadian Navy, be discontinued?

Hon. Paul Hellyer (Minister of National Defence): As stated at page 21, in the minutes of proceedings of the proceedings of the standing committee on national defence, dated May 12, 1966, the subject of uniform is under active consideration.

EMPLOYMENT ON GREAT SLAVE LAKE RAILWAY

Question No. 1,913—**Mr. Dinsdale:**

1. How many (a) Eskimos, and (b) Indians were employed during the construction of the Great Slave Lake railway to Pine Point?
2. How many (a) Eskimos, and (b) Indians are employed on the railway at the present time?
3. What is the total number of employees on the Great Slave Lake railway?
4. What is the policy of the railway with respect to the employment of (a) Eskimos, and (b) Indians?
5. Does the education branch of the Department of Northern Affairs and National Resources have a training program specifically designed to provide Eskimo and Indian students with the skills necessary for employment on the Great Slave Lake railway and, if so, what is the nature of the program?

Hon. Judy V. LaMarsh (Secretary of State): Insofar as the Minister of Transport is concerned: The management of Canadian National Railways advises as follows:

1. A maximum of 30 Eskimos and approximately 75 Indians worked on the Great Slave Lake railway at any given time.

2. There are approximately 24 Eskimos and 15 Indians employed on the Great Slave Lake railway.

3. The total number of employees on the Great Slave Lake railway is between 350 and 360.

4. It is company policy to hire qualified people without discrimination as to race, national origin, colour, religion or age. Employment applications from Eskimos and Indians therefore are treated in the same manner as are applications from any other prospective employee.

In so far as the Minister of Indian Affairs and Northern Development is concerned:

5. The Great Slave Lake railway informs that it has provided a training on the job program for Indians and Eskimos who require further training to meet the needs of their specific positions; the Department of Indian Affairs and Northern Development has provided specific assistance by selecting workers through its placement service and by advising on the problems of relocated employees. Training within industry is part of this department's policy because it meets the specific needs of the employer and the employee. In general, these workers have received training in heavy equipment maintenance and operation or general construction prior to this employment, but this may be considered specific training only in terms of broad general coverage in an occupational area. Trainees were placed on wages as soon as they started employment and full costs of specific training were paid by the railway.

NUMBER OF RANKS IN ARMED SERVICES

Question No. 1,916—**Mr. Forrestall:**

How many ranks now exist in the (a) Royal Canadian Navy (b) Canadian Army (c) Royal Canadian Air Force?

Hon. Léo Cadieux (Associate Minister of National Defence): The ranks for the Canadian armed forces are as listed in the table to Article 3.01 of the Queen's Regulations and Orders, i.e.,

Navy	Army	Air Force
Admiral of the Fleet	Field Marshal	Marshal of the Royal Canadian Air Force
Admiral	General	Air Chief Marshal
Vice-Admiral	Lieutenant-General	Air Marshal
Rear-Admiral	Major-General	Air Vice-Marshal
Commodore	Brigadier	Air Commodore
Captain	Colonel	Group Captain
Commander	Lieutenant-Colonel	Wing Commander
Lieutenant-Commander	Major	Squadron Leader
Lieutenant	Captain	Flight Lieutenant
Sub-Lieutenant and Commissioned Officer	Lieutenant	Flying Officer
Acting Sub-Lieutenant	2nd Lieutenant	Pilot Officer
Midshipman	Provisional 2nd Lieutenant	Officer Cadet
Naval Cadet	Officer Cadet	
Chief Petty Officer, 1st Class	Warrant Officer, Class 1	Warrant Officer, Class 1
Chief Petty Officer, 2nd Class	Warrant Officer, Class 2	Warrant Officer, Class 2
Petty Officer, 1st Class	Squadron, Battery, and Company Quartermaster-Sergeant and Staff Sergeant	Flight Sergeant
Petty Officer, 2nd Class	Sergeant	Sergeant
Leading Seaman	Corporal and Bombardier	Corporal
Able Seaman Ordinary Seaman (having completed six months' service and the prescribed basic training)	Trooper Gunner Sapper Signalman Private Guardsman (all classifications)	Aircraftman (all classifications)
Ordinary Seaman	Fusilier Rifleman Craftsman	

Questions

PROPOSED RANKS IN UNIFIED FORCE

Question No. 1,917—**Mr. Forrestall:**

Is there an establishment of ranks for the proposed unified armed force and, if so, how many ranks are established for the (a) navy (b) army (c) air force?

Hon. Léo Cadieux (Associate Minister of National Defence): No.

OPERATION OF NEW OTTAWA RAILWAY STATION

Question No. 1,920—**Mr. Bell (Carleton):**

1. Is it the intention of the government to ask the House of Commons to give further consideration to Bill S-2 an act to incorporate the Ottawa Terminal Railway Company?

2. If not, under what authority is it proposed that the new Ottawa station and the approaching railway tracks and related facilities shall be operated?

3. Have any new agreements between the National Capital Commission and the railway companies been executed?

4. If so, will such agreements be laid on the table of the house and will such agreements require parliamentary sanction?

5. Under what authority are the said station, tracks and related facilities now being operated?

Hon. G. J. McIlraith (Minister of Public Works): 1. No.

2. The Canadian National Railway and the Canadian Pacific Railway Company are operating the Ottawa station, the approaching railway tracks, and the related facilities under their respective statutory authorities to operate railways and related facilities. It is proposed that this arrangement will be continued.

3. On July 26, 1966, the two companies and the National Capital Commission entered into an agreement to transfer certain assets pursuant to paragraph 26 of the memorandum of understanding, dated October 17, 1963, in order to permit the railways to operate the new station and the approaching track and related facilities and to enable the commission to remove certain railway tracks.

4. Such agreement does not require parliamentary sanction. It can be tabled in the house if the house agrees.

5. Answered by 2.

*ROGER FULTON—COMMUTATION OF DEATH SENTENCE

Question No. 1,921—**Mr. Cowan:**

Was a press release issued from the office of the Solicitor General on August 3, 1966, regarding the commutation to life imprisonment of the sentence of death imposed upon Roger Allan Fulton which stated in part that the Solicitor General disclosed "that there was before cabinet important medical evidence of a neurological nature obtained by the Department of Justice" and, if so, what are the names of the doctors who submitted the said medical evidence of a neurological nature regarding Roger Allan Fulton?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the answer is as follows. Yes, such a press release was issued. By well established constitutional practice the advice tendered to the Governor General in regard to commutation is regarded as confidential and not to be disclosed except in very exceptional circumstances. By the same token the medical and much of the other information obtained by the cabinet and which forms the basis of its advice to the Governor General is also received in confidence and, with rare exception, it is not the practice either to discuss such information or to disclose the sources of information in particular cases.

*ROGER FULTON—COMMUTATION OF DEATH SENTENCE

Question No. 1,922—**Mr. Cowan:**

Was a press release issued from the office of the Solicitor General on August 3, 1966, regarding the commutation to life imprisonment of the sentence of death, imposed upon Roger Allan Fulton which stated in part that and, if "in accordance with constitutional practice the Solicitor General did not disclose the considerations upon which the Governor in Council acted in commuting the sentence" and, if so, to what constitution does this press release refer and to what specific section of that constitution?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the answer to this question is as follows. Yes, such a press release was issued. The expression "constitutional practice" used therein does not refer to an express section of any constitution, but the practice that has been established by the Governor in Council in dealing with capital cases and which has been recognized as good practice by successive governments. The expression "constitutional practice" has been used in the same sense by other ministers frequently in the past.

SUBSIDY PAYMENTS ON SMALL BOATS

Question No. 1,927—**Mr. Crouse:**

1. How many applications have been approved and what payments have been made, by provinces, of the 50 per cent small boat subsidy, relating to construction of small boats, 35 to 55 feet long, of "special design", as described on May 11, 1966, by the Minister of Fisheries?

2. How many "special designs" have been sent out by the department to fishermen and how many provinces have applied?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Up to the present no applications

have been approved nor payments made under this program. However, discussions are continuing to be held with the provinces.

2. Four new designs have been introduced to the Atlantic fishery, although only two of these would come within the size range of this new program.

RE-ENGAGEMENT OF RELEASED AIRCREW

Question No. 1,939—**Mr. Lambert:**

1. Of the approximately 500 members of aircrew personnel released from service in the R.C.A.F. in the month of June or thereabouts in 1964, how many have been re-engaged and on what terms?

2. Do these terms include the forfeiture or repayment of any regular or special benefits granted to them on release?

Hon. Paul Hellyer (Minister of National Defence): 1. Sixteen, 11 were granted short service commissions and five permanent commissions.

2. Yes, order in council PC 1964-15/1239 of 31 Aug. 64 as amended by PC 1966-4/106 of 19 Jan. 66 made provision for the possible repayment of all or a portion of the special benefits paid to the officers released should they subsequently re-enroll in the Canadian forces within two years of the date of release.

RESIGNATIONS AND RETIREMENTS OF OFFICERS

Question No. 1,941—**Mr. Rynard:**

1. How many officers in the (a) navy (b) air force (c) army, have resigned month by month since May 1, 1966?

2. How many officers in each of the services have asked to be retired at the discretion of the Department of National Defence and how many such requests have been granted in the said period?

Hon. Paul Hellyer (Minister of National Defence): 1. The following were released under Q.R.&O. 15.01 item 4—voluntary release:

	RCN	CA(R)	RCAF	Total
May 1966	7	11	26	44
June 1966	19	15	41	75
July 1966	40	7	25	72
August 1966	12	17	43	72
	78	50	135	263

2. Personnel statistics do not record this information and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

*PAYMENT OF TRANSITIONAL ASSISTANCE BENEFITS

Question No. 1947—**Mr. Orlikow:**

1. Has General Motors informed the adjustment assistance board that it will make the necessary agreement with the government of Canada to render the majority of its laid-off workers eligible for transitional assistance benefits?

2. Has the government yet reached a decision to revise the transitional assistance benefits regulations under the automotive program and, if so, will benefits be payable to all eligible workers affected by lay-offs caused by the agreement, without having to get the approval of the employer?

Hon. J. R. Nicholson (Minister of Labour): This question falls into two parts. The answer to the first part of the question is no. The answer to the second part is no. The matter is under active consideration and any revision of the transitional assistance benefit regulations will be the subject of a government announcement, if such a revision is decided upon.

MANUFACTURE OF WHEAT FLOUR UNDER RUSSIAN AGREEMENT

Question No. 1,966—**Mr. Pascoe:**

1. Have any orders been placed with Canadian milling companies for manufacture and export of wheat flour under the latest Russian wheat agreement and, if so, what Canadian milling companies were given these flour orders and what quantities were specified in each order?

2. What Canadian companies bid for all, or a portion, of the flour contract?

Hon. Robert Winters (Minister of Trade and Commerce): Canadian flour mill companies negotiate directly with the U.S.S.R. grain agency Exportkhleb for the supply of flour under a master contract concluded by the Canadian Wheat Board and Exportkhleb. The information requested in these questions is a private commercial matter and is not available to the government.

SALES AND EXPORTS OF WHEAT AND FLOUR

Question No. 1,967—**Mr. Pascoe:**

1. What was the total export of Canadian wheat flour during the period from August 1, 1965 to July 31, 1966?

2. Did Canadian wheat flour go to Cuba during the above-specified period and, if so, what quantity?

3. What was the total export of Canadian wheat flour during the period from August 1, 1964 to July 31, 1965?

4. What was the total domestic sale of Canadian wheat flour for the period from August 1, 1965 to July 31, 1966?

5. What was the total domestic sale of Canadian wheat flour for the period from August 1, 1964 to July 31, 1965?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce):

Order for Return

	Wheat Flour cwt.	Wheat Equivalent bushels
1. Exports August 1, 1965 to July 31, 1966	15,669,130	36,038,999
2. Quantity shipped to Cuba, August 1, 1965 to July 31, 1966	4,496,529	10,342,016
3. Exports, August 1, 1964 to July 31, 1965	13,714,069	31,542,359
4. Domestic disappearance*, August 1, 1965 to July 31, 1966	27,732,861	63,785,580
5. Domestic disappearance*, August 1, 1964 to July 31, 1965	25,521,785	58,700,106

* There are no data available re domestic sales of wheat flour as such. Domestic disappearance is derived through supply and disposition calculations for wheat flour.

RETIREMENT OF GROUP CAPTAIN LEE

Question No. 1,976—**Mr. Lambert:**

1. What was the date of the retirement from the R.C.A.F. of former Group Captain Wm. Lee, presently special assistant to the Minister of National Defence?

2. Was such retirement at the voluntary request of Group Captain Lee and, if so, what was the date of the application for voluntary retirement?

3. If the answer to part 2 is in the negative, was the said retirement part of the program of compulsory retirement of certain redundant service personnel inaugurated in 1964?

4. When emoluments, if any, whether of a general or special nature, were paid to Group Captain Lee on his retirement and in what amounts, and were any entitlements or payments made retroactive and to what date?

5. Does former Group Captain Lee now receive payment of any service superannuation pension and, if so, what is the date of commencement of payment of such pension?

Hon. Paul Hellyer (Minister of National Defence):

1. 11 December, 1964.

2. No.

3. Yes.

4. September 1964, special benefit—$11,040. March 1965, $177.50 with respect to general pay increase for the period October 1, 1964 to December 11, 1964.

5. Yes, effective September 1, 1966, in accordance with the general provisions of Bill C-193 which was given royal assent on 11 July, 1966.

QUESTION PASSED AS ORDER FOR RETURN

INQUIRY AS TO FERRY RATES

Question No. 1,498—**Mr. Macquarrie:**

1. Have any individuals and/or organizations protested the increase in fare on the C.N.R. ferries on the Borden-Tormentine run and, if so, who are they?

[Mr. Cantin.]

2. Was a resolution on this subject received from the Legislature of Prince Edward Island and, if so (a) on what date (b) was a reply sent and, if so (i) when (ii) what was the nature of this reply?

3. On what date was Premier Shaw advised of this suspension of the increase in ferry rates?

4. Will hearings be held in Prince Edward Island and, if so, on what date?

5. Have any individuals and/or organizations in Prince Edward Island sent representations favouring the increase?

6. Have the fares on any ferries in the Atlantic provinces been increased in the past three years and, if so, on what ferries and what were the amounts of the increase?

7. Have the fares on any ferries in the Atlantic provinces been reduced in the past three years and, if so, on what ferries and what were the amounts of the decrease?

Return tabled.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING APPOINTMENT OF JUDGES

Mr. Robert Stanbury (York-Scarborough) moved for leave to introduce Bill No. C-236, to amend the British North America Act, 1867 (appointment of judges).

Some hon. Members: Explain.

Mr. Stanbury: Mr. Speaker, I think all hon. members will agree that in Canada we have been most fortunate in the high quality of our judiciary and in the public confidence which it has earned. However, the Canadian Bar Association at its last annual meeting asked its executive to establish a committee on the judiciary to assist the government in carrying out its responsibilities in this regard, without interfering with its prerogative to appoint judges.

This bill proposes that the government, before making appointments, obtain the opinion of the legal profession as to the suitability and qualifications of persons being considered for appointment. In my submission this is

desirable if we are to preserve the high quality of our judiciary and the public confidence in it which is so vital to our democratic system.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

ALLEGED TAMPERING WITH WITNESS BY MINISTER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, I wish to move the adjournment of the house under standing order no. 26(2) for the purpose of discussing a definite matter of urgent public importance, namely, the charge that the Minister of National Defence has breached the privileges of this house by tampering with a witness. That charge has been made public and has not been dealt with by this house, therefore resulting in continued injustice until the matter is cleared.

Mr. Speaker: Will the hon. member enlighten the chair on the question of urgency of debate?

Mr. Nugent: With pleasure, Mr. Speaker. The urgency of debate is that the charge which has been made and the facts, if proved, go to the very heart of responsible government. They threaten the very existence, indeed, of much more than the usefulness of parliamentary committees. What is at fault here is the attitude of the minister who says that the government can do what it likes and that parliament is a rubberstamp, whereas the essence of our democratic system of responsible government means that the cabinet is responsible to parliament.

There is a duty on every member of parliament to make sure that neither the government of this country nor any minister of that government preempts the rights, prerogatives and privileges of this house. A minister must make information available to the house, and not hide it. I suggest, Mr. Speaker, that making the series of charges public in this house at this time would have such a serious effect on the possibility of the continued existence of the democratic system as certainly to raise grave doubts whether under this government we are now enjoying anything that resembles responsible government.

If the people of this country are to have any confidence in our system of government and in the House of Commons, charges of this nature should not and cannot be allowed to stand for a moment without being substantiated or cleared or at the very least investigated. I suggest, Mr. Speaker, that it is intolerable to allow these charges to stand even for a few minutes. Since these charges go to the very essence of our parliamentary system and our system of responsible government, there can be no more urgent business for the house to consider. I submit that it should be taken up now.

• (3:20 p.m.)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to address you on the question of urgency of debate. In our opinion this is a most urgent matter. A charge has been made—

Some hon. Members: Hear, hear.

Mr. Brewin: —which affects the integrity of the house. A charge has been made, and no doubt will be spread abroad, that a minister has misled the house, that a minister has tampered with evidence given before a committee of the house. I cannot imagine anything that ought to be cleared up quicker, if it can be cleared up. I am not suggesting for a minute that it cannot be. That will be a matter to find out.

I should have thought that the Minister of National Defence himself would be the first to say that this matter should be debated at once.

Some hon. Members: Hear, hear.

Mr. Brewin: Mr. Speaker, many of the members of the house are earnestly anxious that the committees set up by the house should function effectively and should add to the strength of the parliamentary system.

If it should happen—and I do not suggest it has happened although the charge has been made by a member on his own responsibility who claims he has evidence—that a witness before a committee of the house has been tampered with, has been told to modify or change the evidence that he was presenting to the representatives of the house, then I cannot imagine a matter more urgent for our immediate consideration and I think we should immediately clear it up. For these reasons I support the motion and I urge upon you that it should be debated forthwith and dealt with just as soon as possible.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I think that after a motion has been presented to the house, with the hon. member moving it taking full responsibility for what

he alleges against a minister of the crown, the accusations, insinuations or charges involved should be looked into by the house at the first opportunity.

We have no alternative but to rely on the words of ministers who give anwers to the house, and it is up to the house to take any corrective steps necessary in any situation that may have evolved which is not in accordance with the normal course. The hon. member for Edmonton-Strathcona has taken it upon himself to bring a charge or charges. He has made certain allegations. In such circumstances it is not the matter itself that must be considered urgent but rather, as Beauchesne states in citation 100(3), the question of urgency of debate.

One of the functions of a committee of the house is to enlighten hon. members. Witnesses appearing before a committee have a duty to tell the truth, the whole truth and nothing but the truth. If the minister has in any way at all meddled with the procedures of a committee, if anybody has fooled around or prior to a committee meeting has pressured a witness to change his opinion, by force or any other means, it is the duty of the house to have an immediate investigation, an immediate debate on the matter and clear the air once and for all. I think a debate on this matter is urgently needed at the moment.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, it is a little difficult to separate the question of privilege raised a few minutes ago from the motion now made under standing order 26 because they deal with the same matter, and I submit that to some extent the argument as to the urgency or otherwise of debate gets very much involved.

Citation 100 in Beauchesne, which deals with the matter of whether or not a motion falls within the precedents for making a motion under standing order 26, says in paragraph 2 that the matter "must be so pressing that public interest will suffer if it is not given immediate attention." Of course, as Your Honour well knows, urgency within this rule does not apply to the matter itself but applies to the urgency of debate. I think Your Honour will have to consider not whether there is urgency in the matter, not whether parliament should deal with it now or at some time in the future, but whether the urgency of debate is so important that all other matters shall be set aside and the debate sought shall be given precedence over any and all other public business that is before the house.

[Mr. Langlois (Mégantic).]

I suggest to Your Honour that the hon. member for Edmonton-Strathcona defeats his own argument in that respect since he has claimed it took him many days to gather the evidence that he is now prepared to present to the house. I suggest that the argument advanced by the hon. member for Winnipeg South Centre to the effect that some five or six weeks have gone by since the question was first raised is also defeated by the citation which says that the matter must be so pressing that the public interest will suffer if it is not given immediate attention.

Mr. Churchill: I believed the minister for five weeks.

Mr. Olson: Mr. Speaker, it is not a question of whether this matter should be discussed in parliament. Hon. members, including the hon. member for Edmonton-Strathcona and the hon. member for Winnipeg South Centre, know very well that there are other avenues open to them in order to bring this matter to parliament.

Mr. Bell (Saint John-Albert): What are they?

Mr. Olson: There are other ways in which this can be done, with the proper notice given, etc., but what they are now asking is that all other public business, all other matters that within the rules have been brought before parliament, be now set aside so that this particular matter can be discussed. In the arguments advanced by those two hon. members they stated that a number of weeks have gone by during which this matter has had some public attention and therefore it does not all of a sudden become so urgent that the public interest will suffer if it is not given immediate attention. I suggest that this, and this alone, is the question Your Honour has to consider at this time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I add just a few words to the arguments that have been made concerning the urgency of debate with respect to this matter. If my memory serves me correctly this is the first time I have said anything publicly on the present defence issue—

Mr. Grafftey: It is one of the few things the hon. member has missed.

Mr. Knowles: —but I speak now as a member of parliament who is concerned over what has happened here today. Rightly or

wrongly, a member of the house on his own responsibility has made charges, has said he has affidavits, and has created a situation which it seems to me in itself argues that there is urgency of debate.

I also ask Your Honour to look very practically at the point just raised by the hon. member for Medicine Hat. He asked, what is so pressing that we should set aside all the other business planned for today?

Mr. Martin (Essex East): Including medicare.

Some hon. Members: Oh, oh.

Mr. Starr: 1968—maybe.

Mr. Martin (Essex East): I thought the hon. member for Winnipeg North Centre was interested in medicare.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Promised in 1919.

Mr. Knowles: Now I have heard everything. It was promised 47 years ago on August 6. The Liberal party wanted to do something about medicare then. Now, in a short afternoon, the Secretary of State for External Affairs says, "Do it today."

• (3:30 p.m.)

Some hon. Members: Oh, oh.

Mr. Knowles: Let us look at this seriously. It is now 3.31 p.m. We have not yet had the calling of the orders of the day and the question period, according to our rules, is to last for half an hour today. Then there is private members' hour at five o'clock. If you do a little arithmetic you will see that not more than 45 or 50 minutes remain today for the debate on medicare, and what has not taken place in 47 years is not going to be dealt with today in 45 minutes. I think the suggestion that this debate is putting aside all of the business of this house is a play on words. The suggestion simply is that we use the rest of the day to deal with a matter which has been raised today. If the Secretary of State for External Affairs is so concerned about medicare, I suggest that he put his weight behind that bill in its original form so that it will come into effect on July 1, 1967, instead of trying to prevent the house from hearing about this matter today as I think is its right.

There is not much time left today, and I think we should at least hear in full from the member for Edmonton-Strathcona. I do not know whether he is right or wrong, but he says he has affidavits and I think he should be permitted to state his case in full. I think also that the Minister of National Defence has the right and the responsibility to be heard in this house today. When you consider what has happened here today, I submit there is urgency of debate.

Mr. Martin (Essex East): I can hardly believe my ears that you would not let the medicare debate go on right now.

Mr. Speaker: Order. The Chair is trying to listen to the arguments which are being presented in support of the motion.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to add my viewpoint to that of others who have suggested there is in fact urgency of debate here. In respect of the original matter which is in issue I have no interest in the sense that I did not participate, but I was very impressed by one statement made by the hon. member for Edmonton-Strathcona. I call to my support in this the statement made in another building in this city earlier this week when a former member of this house, Miss Pauline Jewett, in addressing a certain convention, emphasized the tremendous importance in a parliamentary system of the committee structure, something with which I am in complete agreement.

Mr. Speaker, the house has constituted a number of committees and has delivered into the custody of these committees a number of tremendously important matters. There is the committee on consumer credit dealing with the cost of living, the committee on transport and communications which shortly will be dealing with the question of the new railway legislation, the committee on the Bank Act, and so on. I am not commenting on the truthfulness or otherwise, but the suggestion has been made that witnesses, whose evidence is material, relevant and very important, have had their statements tampered with. I suggest to this house and to Your Honour that this matter should be settled, that is, to what extent in the future are we entitled to accept statements made by those who are under the control or influence of ministers of the crown? To what extent are we entitled to accept the statements which they give in evidence and to what extent, when reports are made based on evidence given by such people, are we entitled to accept at face value those statements? I submit that this is a tremendously important matter and that if our committee structure is

going to survive we must have some examination of this major issue so that the members of this house may know that evidence given in committee is untrammeled and free from prejudice and pressure.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, may I say just a few words in support of the motion. A most important and serious charge has been made in this house that a minister of the crown has tampered with evidence given before a committee of this house. The question is not whether the charge is correct or can be proven. The charge has been made and this is the situation which faces the house now. It seems to me that the first person who should support this motion is the Minister of National Defence. Surely the minister would want the opportunity in this house today and not tomorrow to reply to this serious charge.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to support the motion of the hon. member for Edmonton-Strathcona. I would ask Mr. Speaker to take into consideration fully the complete relationship to committee discussions in the future of any witness who may appear before any committee so long as the present situation is left unanswered. The urgency of the matter has been dealt with by the hon. member for Winnipeg North Centre in his suggestion that there is very little time left in the house this afternoon.

In the light of these things, particularly the grievous nature of the charge against the minister, which is one in respect of which I join with the hon. member, I would urge that Your Honour give every consideration to allowing this motion to be put to the house.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, obviously no one is more interested than I in having these slanderous insinuations dealt with in a proper fashion and in a proper forum.

Mr. Nugent: Then ask for unanimous consent to do it.

Mr. Hellyer: This suggestion that we—

Mr. Forrestall: Mr. Speaker, on a point of personal privilege I ask the Minister of National Defence to withdraw that statement.

Mr. Hellyer: No, I will not, Mr. Speaker. They are slanderous insinuations; that is all they are.

Mr. Forrestall: They are the truth.

[Mr. Baldwin.]

Mr. Hellyer: They are not. They should be dealt with in a proper way at the proper time, and no one is more in favour of this than I am. A debate this afternoon in this house is not the proper time. It is clear that the object of this exercise is merely to frustrate the business planned for this afternoon. It is an old Tory game and some of us are getting a little tired of it.

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

Mr. Hellyer: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Edmonton-Strathcona on a question of privilege. Before I recognize the hon. member I should like to remind hon. members taking part in this discussion that what they are to consider, for the guidance of the Chair, is the question of urgency of debate.

Mr. Nugent: Mr. Speaker, the minister has just suggested I have brought up a matter simply to impede the business of the house. That is imputing a motive and a very low one to a member who has been very careful in this regard to make sure that he had the proof and had personally investigated the evidence leading to this charge. I suggest that the minister is imputing motives and is also insulting the house by suggesting that a charge that he has interfered with a witness is not important. It is more important business than the other. It may be unimportant to the minister whether a witness tells the truth—

Mr. Speaker: Order, please.

• (3:40 p.m.)

Mr. Hellyer: Mr. Speaker, I was speaking on the question of urgency at the time I was interrupted by my hon. friend. I was going to suggest, in view of the fact that some months have passed since this alleged situation occurred, that the proper place to debate this matter is before the standing committee on national defence following the introduction of the legislation, and that suggestion has been made before.

Some hon. Members: Hear, hear.

Mr. Hellyer: I make that suggestion because I do not think the alleged facts as presented here today can be separated from other facts and questions that will no doubt be considered at the time that committee meets. I think this matter should be considered in a forum where—

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The hon. member for Cape Breton South is rising on a point of order.

Mr. MacInnis (Cape Breton South): Mr. Speaker, the minister is now deliberately ignoring the rule about which you have just reminded him and others, that he must speak only as to the urgency of debate.

While he is on his feet perhaps he would like to make a charge of slander and innuendo against the hon. member for Edmonton-Strathcona. Will he make that charge? Will he stand up as the hon. member has done in this house? If he does not intend to do so, then let him speak about the urgency of debate.

Mr. Speaker: Order, please. Let me remind the hon. member that he should address the Chair.

Mr. Hellyer: Mr. Speaker, the hon. member has made suggestions which involve my personal honour, and for that reason I am perhaps more interested in this question than anyone else in this house. For that reason I feel that this question should be dealt with by that committee in the proper form and manner rather than by a debate in this house which could make no determination or decision.

An hon. Member: If you are so innocent, let us debate it now.

Mr. Hellyer: This is not the time or the manner in which we should debate a serious allegation of this kind. I think it should be considered by the committee, and I hope that at that time, if the alleged facts presented to this house today are proved to be false, the hon. member will resign his seat in the House of Commons.

Some hon. Members: Hear, hear.

Mr. Nugent: I take full responsibility for my charge and I hope the minister will realize the importance of my proving it.

Mr. Speaker: Order, please. The minister has the floor.

Mr. Hellyer: As far as I am personally concerned, this matter can be dealt with by either committee. My only reason for suggesting that it be dealt with by the defence committee is that there are related matters which should be dealt with at the same time. I believe that those people who have made charges, including the hon. gentleman opposite, should appear before that committee to give testimony and to subject themselves to cross-examination in order that we may make clear to the people of this country the exact nature of these charges.

Mr. Horner (Acadia): In order that you may tamper with the testimony.

Mr. Hellyer: Under those circumstances, Mr. Speaker, and because this matter is some months old, I think a debate this afternoon would be inadequate.

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

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Macleod is rising on a question of privilege.

Mr. Kindt: I suggest that the minister is trying to mislead the house by suggesting that this matter is some months old. We have heard what the hon. member for Edmonton-Strathcona said, namely that he did not have this information until yesterday or the day before. Apparently the only one who knew about it, prior to then other than the admiral, was the minister.

Mr. Speaker: Order, please. It is my opinion that there is no question of personal privilege at this time.

Mr. Kindt: There certainly is.

Mr. Speaker: Order, please. The Chair is charged with the difficult responsibility of ruling on this matter, and it is my opinion that there is no question of privilege.

Mr. Kindt: Mr. Speaker,—

Mr. Speaker: Order, please. I suggest to the hon. member that what he is now attempting is to present an argument. I assume that in due course he will have the opportunity of doing so. At the moment the Minister of National Defence has the floor.

Mr. Hellyer: Mr. Speaker, the suggestion on which the allegation is based was made in July and has been public knowledge since that time. In view of the fact that this matter has been discussed in the press and in this house on a number of occasions since July and in view of its serious nature, it is my belief it should be dealt with by a committee of this house. The committee which I believe

should be seized with this matter is the committee on national defence. That is the course I would recommend.

Mr. Diefenbaker: Right away?

Mr. Hellyer: If it is felt that the committee on privileges and elections should deal with this matter, I have no objection because I want to clear my name, which is more precious to me than anything else.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, in the five years I have been sitting in the house I have often heard requests for inquiries information, but it is the first time, as far as I know that a formal charge has been made against a member of the cabinet—the first time in five years. It is not an inquiry which is asked for at the present time. The hon. member for Edmonton-Strathcona (Mr. Nugent) has laid a formal charge against the Minister of National Defence (Mr. Hellyer).

In view of the fact that such a thing happens very seldom, namely that a formal charge is laid against a minister of the crown, then it becomes an urgent matter which should be debated forthwith.

When the hon. member for Edmonton-Strathcona raised the question of privilege a little earlier and laid his formal charge, and even after you had rendered your decision, Mr. Speaker, on the question of privilege, the Minister of National Defence had at that time the right, under the standing orders of the house, because it was for him the first possible opportunity before a formal charge, to rise in his turn on the question of privilege and to deny the whole thing. He did not do it, he allowed the charge to be made. And again during those last few minutes, he has been asking that the matter be referred to a committee saying that the matter dates back a few months.

Mr. Speaker, I submit that this matter does not date back a few months. Must a problem exist in fact when rumours start making the rounds or only when the rumours are substantiated?

The hon. member for Edmonton-Strathcona stated today only that he has evidence to substantiate those rumours which have been circulating. I submit, Mr. Speaker, that the first possible opportunity is not when the rumours start but when a man has the evidence. If charges were to be laid each time a rumour starts, it would be unthinkable for the man who wants to make a charge but lacks the time to get the necessary evidence and it would become unbearable for those against whom a charge would be laid.

I think that the first possible opportunity exists not when rumours start circulating but when evidence is produced to show that they are accurate and justified. And it is only today, it is only since the beginning of the sitting that such evidence has been laid before the house. Until now, there were only rumours. And I always refused to believe them as long as a formal charge had not been laid and evidence produced.

Therefore, the first possible opportunity is today, not before. Therefore, it is not a problem which dates back a few months, it is a problem which arose at the time when the evidence was laid before us.

Now, about the urgency of debate, Mr. Speaker. It is that there will be other committees sitting this afternoon and tomorrow morning and tomorrow afternoon.

• (3:50 p.m.)

Will members attend those meetings while thinking: This committee may not be serious; how can we be sure that the Minister of Finance (Mr. Sharp) has not altered the evidence of witnesses at the committee on consumer credit? How can we be sure that in the committee on the public service of Canada, which is sitting at present, the Minister of National Revenue and President of the Privy Council (Mr. Benson), has not altered the evidence given by witnesses? Is it possible from now on for committees to sit unless a clear and specific explanation is given about the problem raised?

Mr. Speaker, I feel that the committees cannot sit as long as this matter has not been threshed out and the sittings of committees are still more urgent than the debate on medicare this afternoon.

The urgency of the debate Mr. Speaker. The word urgent is an epithet. Now, if it is an epithet, it is relative. Einstein in his theory on relativity states that everything is relative even the Absolute.

Can the debate taken in its present context he deemed to be really urgent? Let us consider the item on the agenda this afternoon: medicare. Now, we have been told that medicare would not come into effect before the 1st of July, 1968. Is it therefore so urgent to discuss medicare? Which matter is more urgent?

One which may be passed this afternoon and shelved for a year and a half or another which questions the integrity of a minister of

the crown and the efficiency of committees. If we look at the terms "urgency of debate" in connection with the problem before us this afternoon as concerns other debates which may also take place this afternoon, well then I believe the urgency of debate applies not to medicare but to the attempts to determine the truth concerning the formal charge made by the hon. member for Edmonton-Strathcona (Mr. Nugent). Therefore, if we consider the expression "urgency of debate" in connection with other discussions which are to follow, then the urgency of the debate must be applied to the motion put by the member for Edmonton-Strathcona.

Mr. Speaker, for all these reasons, and also to rectify somewhat the fact that I should not want to see a precedent being created, since this is not the first opportunity we have to discuss the matter, I believe that the debate on the question facing the government should be allowed.

[*English*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is a matter that affects the privileges of the house and I would hope that the Prime Minister, as the minister responsible for the preservation of the rights of parliament, would speak up and assure us that regardless of the attitude and stand taken by the Minister of National Defence this matter is one that cannot be postponed until legislation is introduced in connection with armed forces unification or integration but should be dealt with now. Every opportunity has been given to the minister to have the committee on defence meet immediately. That would cover the situation very well. Why wait until months hence? Why wait until legislation has been introduced in respect of this program? Why not meet this situation now? There can be no possible reason for any extension of time.

This is one of the matters that above all transcends every consideration of party relationship or party antagonisms within the house. The question arises whether the evidence given in a committee was free, uncontrolled, undirected and unsuggested. If we cannot accept the evidence given in committees, that is the end of the committee system.

I feel that the Prime Minister should now take this matter in his hands and without regard to the attitude of the minister should determine it once and for all.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What can be more urgent than the preservation of the integrity of committees of parliament with regard to the evidence that is presented to them? Mention was made that this matter goes back a long way. I always accept a minister's word. This is something that, regardless of our differences, must be accepted. However, today we have had an hon. member rising and stating that he has an affidavit in his possession which indicates that the evidence given by the admiral of the eastern command was altered by direction or action.

I suggest the first thing that should be done is for the government to table the evidence which the admiral was going to give and, second, the revised and expurgated edition. I dislike repetition, Mr. Speaker, but I say that unless members can depend on the answers given in the house or the evidence given by witnesses in committees, then our parliamentary system is gone. I asked the minister on August 30—

Mr. Speaker: Order, please. With great deference I take the liberty of interrupting the right hon. Leader of the Opposition to remind him that what I am attempting to do at the moment is to obtain advice as to the urgency of debate in view of the motion made under standing order 26 by the hon. member for Edmonton-Strathcona.

Mr. Diefenbaker: That is exactly what I am doing, building the argument as to why this matter is urgent. There cannot be anything more urgent in parliament than the preservation of the prerogatives and rights of parliament and the assurance that the evidence given by witnesses will not be altered in substance or in fact to meet the needs of a government or a minister of the government. I asked the following question on August 30, and this indicates the urgency, sir. It is recorded at page 7797 of *Hansard:*

> Mr. Speaker, I wish to ask the minister of defence a very simple question. Did he read the copyright story by Admiral Landymore which appeared in the Toronto *Star* on July 23 and which reads as follows:
>
> "The section on personnel—wherein I described the actual state of affairs in my command—was thoroughly censored and rewritten—
>
> The excuse given me for the censorship was that the minister wanted to take a positive approach to the hearings and that mine was too negative."

Mr. Starr: That is a shame.

Mr. Diefenbaker: Then I asked:

> Is this true or is it not?

The minister replied:

So far as my giving instructions is concerned, Mr. Speaker, it is not.

That statement on the part of the minister represents the facts, so why not have a discussion on the matter? We now have before the house the allegation that there was tinkering with the evidence, that pages were deleted and others substituted while in the possession of the minister. Can there be anything more serious to the future of democracy under our parliamentary system than the suggestion—even the suggestion—that this has taken place?

Surely the Prime Minister, being the custodian of the prerogatives of parliament, should rise and say: This matter will receive attention; we are not going to wait until months hence to meet the desires of anybody in this house for postponement. This matter is of first importance. It cannot be brushed aside by the simple statement, "Well, this is not the fact." It must be met; otherwise parliament will be a caricature. When a minister makes a statement, that statement must be the truth when it represents not an argument but a statement of fact.

Mr. Hellyer: Hear, hear.

• (4:00 p.m.)

Mr. Diefenbaker: Today we heard the allegation made by the hon. member for Edmonton-Strathcona that Admiral Landymore has produced an affidavit in addition to his copyright article. Why did he do that? Not to prevent the House of Commons from discussing a matter of transcendent importance to the security and integrity of members of parliament.

Mr. Hellyer: Mr. Speaker, if members of the opposition would be willing to formulate a charge that I tampered with the evidence of the committee and that I misled parliament, I would be pleased to ask for unanimous consent of the house that that charge be referred at once to the committee on privileges and elections. This would be done on the clear understanding that the person making the charge would place his seat in jeopardy if the charge is proved to be false.

Mr. Starr: Will the minister resign if found guilty?

Mr. Ricard: Stand up and say it.

Mr. Nugent: It seems to me, Mr. Speaker, that the minister did not hear the charge I have already levelled on my responsibility and standing in my place as required by the rules. I will read the charge to him again and I intend to follow it with a motion that it be referred to the committee on privileges and elections. I do not think any charge could be clearer than this one. It is that the Minister of Defence has breached the privileges of this house by tampering with a witness in regard to the evidence to be given before a committee of this house, the witness being Rear Admiral W. M. Landymore, the committee being the standing committee on national defence, and the evidence in question being the admiral's brief presented to the committee on June 23, 1966.

With regard to the seriousness of the offence, I have looked at the rules, Mr. Speaker, and I find that whenever a charge is made and proved false it is up to the house to decide what the punishment should be. I have little doubt that the house regards this charge as very serious. That is why, before making this very serious charge, I was very careful to make sure that I had evidence. In fact, having obtained this evidence I would have been negligent and derelict in my duty if I had not brought it before the house.

We are now in the position, Mr. Speaker, that if Your Honour's ruling on my question of privilege had prevailed it would have been most unfair if I had not been allowed to present part of my argument or all of it, just as it would be unfair to the minister if he were not given time to reply to the charge. I was going to suggest what the minister has already suggested, that in justice to the minister it is not a just solution to leave the matter as it is with only half the argument on the record, and I do not think any member in the house would stand in the way of a just and equitable solution to this matter which can only be achieved by allowing a complete hearing of the charges for which I am responsible and a hearing on the minister's action for which he is responsible.

I would therefore ask, Mr. Speaker, if I may be allowed, that you request unanimous consent of the house to the raising of the question of privilege and that you allow a full discussion of it together with the motion that it be referred to the committee on privileges and elections. I would be content to allow this matter to go directly to the committee on privileges and elections without further debate.

Either way, Mr. Speaker, I do think that a request for unanimous consent to discuss this very important question of privilege would meet with the approval of the house because

I do not think any member would wish to be in the position of only hearing one side of the case or only hearing the accusations made against the minister without giving him a chance to defend himself. Would Your Honour ask for unanimous consent?

Mr. Hellyer: Mr. Speaker, may I ask a question on a point of clarification? Would the hon. member for Edmonton-Strathcona explain to the house what he means by "tampering with a witness"?

Mr. Starr: Let the minister wait until the matter gets to the committee.

Mr. Nugent: I think the minister is perfectly correct in asking that, Mr. Speaker. The word "tampering" may be a trifle technical.

Mr. Hellyer: And also a trifle evasive.

Mr. Nugent: It includes several things, among others the background of what I have alleged. If the minister wishes me to change the motion to make sure I am not being evasive I would be prepared to do so.

The minister is entitled to know exactly what I allege. I allege that Admiral Landymore had prepared a brief which it was his intention to present to the committee, having been ordered to prepare one and to present it to the committee on his responsibility that the minister caused him to come to the minister's office and present it orally, I believe, to the minister, that the minister is responsible for the fact that the brief was left in his office to be reviewed by him and that it remained there for several hours, that it was returned to Admiral Landymore and a change had been made in it without Admiral Landymore's consent, which change came to his notice only upon examining the brief. I allege that four pages of that brief had been taken out and that two pages were substituted. It is only within the minister's knowledge whether he did that personally. I say it is his responsibility because this brief was in his office and he is responsible for the actions of his officials. Therefore the word "tampering" which the minister wishes defined means in this case the taking of a brief and changing it.

An hon. Member: Read it.

Mr. Nugent: The pages are long but the house may want to have it read. The minister is right that nebulous terms should not be used in this allegation and I want no misunderstanding of what I mean by the phrase "tampering with a witness".

Mr. Hellyer: The hon. member would have to be more precise than that. He would have to charge that I censored testimony or that I was directly responsible for having information changed improperly. Under the law of this country my officials report to me and I report to parliament. I want a specific charge made.

Mr. Speaker: Order, please.

Mr. Forrestall: On a point of order, Mr. Speaker, I wonder whether Your Honour could refer citation 308 to the Minister of National Defence so he can see that "tamper" is a word which has been used in the British House of Commons since February of 1700 every single year without exception, and has also been used in this house.

Mr. Knowles: That is as long ago as medicare.

Mr. Nugent: I can only meet the objections of the minister and then wait for the house to give unanimous consent to this motion.

Mr. Speaker: Of course the house is the master of its own rules and procedures. All members can agree to whatever they wish to agree concerning the running of the business of the day. It is up to hon. members to give unanimous consent. The Chair, of course, is in the hands of the house. What the hon. member for Edmonton-Strathcona is now suggesting is, I assume, that we abandon the motion which he made under standing order 26 and that we revert to the question of privilege which he raised earlier this afternoon and obtain the unanimous consent of the house to proceed with that question. Is my understanding correct?

Mr. Nugent: I suggest, Mr. Speaker, that unanimous consent to revert to the question of privilege would afford full opportunity to debate the matter and to hear the minister's answer. I suggested that I would amend the motion if that is the only way left, but if you allow us to proceed with the motion then only half the case will be presented and I do not think it would be fair to anyone. That is why I asked you Honour whether we could first try to get the unanimous consent of the house to revert to the question of privilege which I raised at the beginning of this session.

Mr. Churchill: May I ask a question, Mr. Speaker? If the suggestion to revert to the question of privilege is not accepted because

unanimous consent is not given, would we not revert then to the motion to adjourn the house?

Mr. Speaker: Of course there is no difficulty about this. I have a suspicion that unanimous consent will not be obtained. I think the suggestion made by the hon. member for Edmonton-Strathcona is a fair one and I will ask the house whether they wish to give effect to the suggestion of the hon. member that there should be unanimous agreement of the house to revert to the consideration of the question of privilege raised earlier to day by the hon. member for Edmonton-Strathcona.

Right Hon. L. B. Pearson (Prime Minister): Mr. speaker, I think it has been agreed by all members of the house that this charge is a very serious one which impugns the honour and honesty of a minister of the Crown and that it should be formulated in an appropriate resolution and submitted to the appropriate committee of the House of Commons, which is the committee on privileges and elections. If that can be done, there will be no delay in having the committee deal with it. This is a serious matter. In fact, I cannot imagine any matter more serious. Surely, therefore, the wording of the charge against the minister should be made known to this house in writing so that it can be looked at. Perhaps the hon. member, who has been very fair in his references to the desirability of having the charge specific, could put it on the order paper tonight and then we will look at it and will give unanimous consent to proceeding with it at once.

• (4:10 p.m.)

Some hon. Members: No, no.

Mr. Pearson: But, Mr. Speaker, to put a charge before us orally now when we have already begun to argue about the meaning of certain words in that charge is hardly proper. The hon. member who is making this charge has been much more fair in this matter than some of his colleagues. The hon. member has already admitted that the words "tampering with a witness" could be interpreted in various ways. They could be interpreted as improperly interfering with a witness. Surely, therefore, it is important to have this charge formulated in writing before the house, and I give my assurance to the hon. member that if that is done there will be no delay. We will ask unanimous consent to have it submitted to the appropriate committee to deal with it.

[Mr. Churchill.]

Mr. Nugent: The situation is such that there seems to be a little misunderstanding of what is meant by a charge.

Mr. Hellyer: You are right.

Mr. Nugent: The charge is tampering with a witness; perhaps interfering with a witness is another way of putting it. I have carefully explained what it consists of and what the evidence is upon which I am relying. Surely in a charge I am not supposed to put forward all the evidence and have this be the charge which I have to prove.

Mr. Starr: Read it out.

Mr. Hellyer: Charge me with censorship and stand the consequences.

Mr. Nugent: I have said I have evidence to substantiate a charge of breach of the privileges of the house. I would be quite content to have it deferred until tomorrow if the minister wants an explanation of it. However, the charge is complete as it stands and I think it is clear as it stands. I have further clarified it by giving some of the evidence on which it is based.

I am sure the minister does not expect me to say that the minister did certain things within the confines of his office. All I can go on is what I have been told in the affidavit which Admiral Landymore was prepared to swear. I cannot say what went on in the minister's office or who did it. I know it was his responsibility but I do not know who did it. I have gone as far as I can go. I say there has been a breach of the privileges of this house and those are the facts upon which I rely and which I think prove that charge. I think we can bring evidence to prove the result, and it is the result that shows there was tampering with the evidence while it was under the minister's control. Further than that I cannot go, Mr. Speaker. I do believe it would be unfair to suggest that I can go any further without having personal knowledge. I wonder whether we cannot proceed on the basis of reverting to the question of privilege so that these things can be gone into in detail? I am certainly going to take my full responsibility.

Hon. G. J. McIlraith (Minister of Public Works): There has been a great deal of discussion this afternoon, Mr. Speaker, part of which has been heated, starting off with a charge of impropriety against the minister in relation to certain evidence given before a committee. I will not go through the different

procedural points that have been raised during the course of the afternoon, for we are now talking about referring the matter to a committee.

Mr. Kindt: No.

Mr. McIlraith: I understood that to be the point of the remarks made by the hon. member for Edmonton-Strathcona. If I am correct in that assumption, it seems to me that the house requires to know the precise language of the charge so that the house can pass upon it. It seems to me also that the charge is of such a serious nature that its form and the reference to the committee should not be something haphazard. The house should not be asked to give unanimous consent to some vague, nebulous proposals which are not clear.

Mr. Nugent: Would the minister permit a question at this point?

Mr. McIlraith: I wonder if I could make my point and then I will be glad to take the question? The essence of a charge of this nature, whether or not there was improper conduct on the part of a minister, is the language used. The difficulties of the language, must be apparent to all hon. members who have heard the exchanges between the hon. member who raised the matter and those members on this side who asked him questions. In all the circumstances the only proper procedure as I see it is to have a charge precisely drafted and laid before the house. A precise motion could be made and consideration could be given as to the committee to which it should be referred. We have the Prime Minister's assurance that when that is done there will be no delay of any kind in having the matter proceeded with immediately. Surely any lesser method is going to be a careless abuse of the rights of parliament, the very thing about which hon. members are complaining.

There is one other small point. The hon. member has made repeated references to and has quoted from an affidavit. He is, of course, obligated to table that affidavit. I assume that will be done in the ordinary way, since he has quoted from it.

Mr. Nugent: May I—

Mr. Speaker: Order, please. The hon. member for Burnaby-Coquitlam.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in reply to what has been said by the Minister of Public Works, surely the responsibility for the wording of the charge and the responsibility for drafting the motion referring this matter to the committee on privileges and elections lies exclusively with the hon. member for Edmonton-Strathcona who is making the charge.

Mr. McIlraith: Exactly.

Mr. Douglas: I see no reason why we should be arguing about the terminology of the motion or why the government should try to get its finger into the pie.

Mr. McIlraith: Perhaps the hon. member will permit a question?

Mr. Douglas: I did not interrupt the minister. May I make this point, Mr. Speaker. If Your Honour had decided earlier—I am not quarrelling with your decision—to allow the hon. member for Edmonton-Strathcona to proceed with the question of privilege, then he would have moved a motion setting forth the charge and placing whatever documents he has at the disposal of the house. The house could then have chosen whether or not to refer that motion to the committee on privileges and elections.

It seems to me there is no need to wait until tomorrow or to have a conference about the wording. If the house is unanimous in agreeing to revert to the question of privilege, and if His Honour is willing to recognize the opinion of the house in this matter and withdraw any objection to allowing the hon. member for Edmonton-Strathcona to move his motion and make his statement, the house could then decide whether or not it wants to pass the motion to refer the whole question to the committee on privileges and elections. I see no reason at all why this matter has to wait until tomorrow or why we have to have an extended debate on it. The hon. member can make his speech when he lays the charge and move his motion and the minister can make a reply at that time if he chooses. The house will then decide whether or not it is of sufficient importance to refer the matter to the committee on privileges and elections.

Mr. McIlraith: I wonder if the hon. member would permit a question in order to clarify his remarks? Would he not agree it would be preferable, before the house reverts to the question of privilege, if we were told the precise charge the hon. member wants to make? What he appears to be saying now is something less than that kind of charge with

which the house should concern itself; yet the discussion this afternoon was about something of the utmost seriousness, the very type of thing with which the house should concern itself.

• (4:20 p.m.)

Mr. Douglas: Mr. Speaker, in answer to that question, from listening to the hon. member for Edmonton-Strathcona I understood him to charge that a minister of the crown had tampered with the evidence of a witness who appeared before a committee of this house. I do not think that we should have any part in helping the hon. member to draft his motion. If the member has a charge to make, let him move his motion. If the house thinks that the speech he makes in support of that motion contains sufficient information to warrant an investigation by the committee on privileges and elections, then it can pass the motion. If after listening to the hon. member the house does not feel that he has sufficient evidence to warrant referring the matter to that committee, it can refuse to pass the motion. But I do not think it is our responsibility to start drafting such a motion or to find out from the hon. member what is in his motion before he is allowed to move it.

According to the rules of the house, the moment the Speaker says that there is a prima facie case for moving a motion of privilege the hon. member has the right to move it without anybody knowing what is in the motion. All I am suggesting is that the hon. member be given that right and be given it with unanimous consent.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I will be very brief. In recalling the events of the afternoon I think that had we started with the understanding we have now reached the very course which is about to take place would have been followed. I have no idea what the hon. member's statement is going to be, but I believe he is prepared to move his motion and to present the evidence which will be before the house and before the committee.

May I recall to the house the words of the minister in recounting that this matter has been public knowledge for a long time. If it had not been for the members of the press gallery, we would not have known in July what had taken place. Only now has the member been able to produce the evidence. I would appreciate very much his being given the opportunity to move his motion, and then the committee can deal with the matter as they desire.

[Mr. McIlraith.]

Mr. Olson: Mr. Speaker, there is a significant difference between what the hon. member for Burnaby-Coquitlam is suggesting the house should do and what has been suggested by the Prime Minister and the Minister of National Defence. What they suggested was that if they could see the motion they would undertake to proceed with it at once and refer the matter either to the defence committee or to the committee on privileges and elections for consideration. That, Mr. Speaker, requires unanimous consent.

The procedure suggested by the hon. member for Burnaby-Coquitlam when he says that the hon. member has the exclusive right to draw up the charge and to lay the charge he wants to make is predicated upon whether or not he can do it in such a way as to establish a prima facie case. If he can then it is, of course, his exclusive right to move his motion. But that does not mean he has the assurance that he will receive unanimous consent to send the matter to a committee.

Therefore, Mr. Speaker, I suggest that there is a distinct difference between accepting a motion from the hon. member for which he alone takes full responsibility, with unanimous consent being given to send it to a committee, and the other course of action wherein he would first of all have to establish a prima facie case in order to put the motion before the house. In addition, having listened to his argument members of this house would not necessarily give him unanimous consent but would be given the opportunity of voting on whether or not the motion should be referred to the committee. Therefore, Mr. Speaker, because the consequences of this matter are of such serious nature we have to be careful that we do not confuse what can be done by unanimous consent and what can be done in the normal course under the rules of this house.

Mr. Nugent: Mr. Speaker, I think I can clear up a couple of misunderstandings, particularly the misunderstanding of the hon. member for Medicine Hat and the matter raised by the Minister of Public Works.

First, as to the charge the word "tamper" is used because it is the word in citation 308 of Beauchesne, the rule which I am accusing the minister of transgressing. I am using the exact word used in the rule because I thought there was no surer way of having precision in the charge.

If it would help, Mr. Speaker, may I say I have looked up the word "tamper" in the

dictionary and I have here a couple of definitions. It means "meddle with; make unauthorized changes in; exert secret or corrupt influence upon". The word "bribe" is in the definition too. There is certainly no suggestion of any bribe here, but the definitions "meddle with" and "make unauthorized changes in" encompass the acts to which I have referred.

Second, I have drawn up a motion but I am not asking for unanimous consent to move it at all. As I understood it, the only reason the Speaker ruled me out of order today was not that I had not made a prima facie case which would normally allow me to raise a question of privilege but that I had not come within the time limit rule.

Therefore, Mr. Speaker, I have suggested to the house that the best way to achieve justice in this matter, so that everyone may be fully heard as they should, is that the house bend and disregard the time limit rule for the purpose of this debate. This would place me back in the same position I would be in having just completed establishing a prima facie case, the Speaker having ruled that I did have a question of privilege. I could then proceed with my question of privilege, present the evidence which I have to the house and my motion to refer the matter to the committee on privileges and elections for consideration. I think that would take care of the situation and I would still be in the same position. A simple request for unanimous consent to allow me to present my motion of privilege at this stage would take care of everything.

(*Translation*)

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I believe that the charges laid by the hon. member for Edmonton-Strathcona (Mr. Nugent) are quite definite, that the wording is sufficiently clear for all the ministers to understand their nature, and the hon. member has been pleading all afternoon to prove his charges against the minister. But the minister, in an attempt to defend himself, has twice asked the member for Edmonton-Strathcona:

"If the charges are not proven, are you willing to resign, or stake your seat on the issue?" Those are the suggestions made by the hon. minister.

Mr. Speaker, we have no objection to the whole matter being referred to the committee on privileges and elections; or to it being discussed this afternoon. But I urge the hon. Minister of National Defence (Mr. Hellyer) to do exactly what he wants the hon. member for Edmonton-Strathcona to do, that is, if the charges are proven, the minister shall resign not only as minister but also as member of the House of Commons.

Let there be justice for all.

Let those extremely serious charges be looked into by the house or by the proper committee as soon as possible.

The right hon. Prime Minister (Mr. Pearson) assures us that the committee on privileges and elections will deal without delay, today or tomorrow, with the matter if it is referred to it. The hon. member for Edmonton-Strathcona asks that his question of privilege be discussed this afternoon. In either case, we will agree for the sake of unanimity so that the house may discuss the matter this afternoon or that the issue may be referred to the committee.

• (4:30 p.m.)

[*English*]

Mr. Hellyer: Mr. Speaker, if the hon. member for Edmonton-Strathcona would add to his motion: "and such tampering constituted improper conduct on the part of the minister in the performance of his duties as a minister of the Crown," I would agree that the motion should be accepted unanimously on our part. I would agree with the hon. member for Villeneuve, and I would put my seat on the line.

Mr. Nugent: Mr. Speaker, I cannot understand the unnecessary addendum. For the minister to suggest that tampering with a witness, which is a breach of the privileges of this house, is not right and then to say that it is improper for the minister to do so, is meaningless. I do not know what he means. The words are redundant. The charge says that—

Mr. Hellyer: They are not redundant because "tampering" is so broad that it could include scratching your back. I suggest that if the hon. member would add the word "improperly" to that motion, that would be most acceptable. If the hon. gentleman would be prepared to add that, it would be satisfactory.

Mr. Douglas: Mr. Speaker, I suggest that we are out of order and getting nowhere. We are still supposedly discussing the matter of urgency of debate on the motion to adjourn the house to debate a matter of public importance. It seems to me that if the minister

wants to amend any motion referring certain matters to the committee on privileges and elections, the time for him to do that is when the hon. member for Edmonton-Strathcona has moved his motion stating the question of privilege and his charge and asking that the whole matter be referred to the committee on privileges and elections. At that time the minister could move any amendment he wishes and the house could decide whether or not it wanted to accept the amendment. If we are to resolve this matter, the sooner we agree unanimously to revert to the question of privilege to allow the hon. member to make his motion, the sooner we shall have something definite before the house.

Mr. Pickersgill: Could I ask the hon. member for Burnaby-Coquitlam, if he thinks that there is in the motion, as it has been represented to us, a real charge of impropriety? All we are asking on this side of the house is that there be a definite charge of impropriety. If the hon. member will add the words that the Minister of National Defence has suggested or if he will add the word "improperly" or "improperly tampered", either one of those, then we shall grant unanimous consent at once not merely to debate the question but to send it without delay to the committee on privileges and elections.

Mr. Speaker: Order, please. I understand that the Minister of Transport is now asking a question of the hon. member for Burnaby-Coquitlam. The hon. member for Edmonton-Strathcona wants to ask a question of the Minister of Transport. This is getting confusing.

Mr. Nugent: Mr. Speaker—

Mr. Douglas: I think I asked the first question.

Mr. Speaker: The hon. member for Burnaby-Coquitlam has the floor.

Mr. Douglas: I thought that the charges, as made by the hon. member for Edmonton-Strathcona, constituted impropriety. All I know is that Citation 308 says that tampering with a witness is a breach of privilege. If the hon. member can substantiate the fact that there has been tampering with the evidence of a witness, I am prepared to support the motion. But there is no point in discussing this when we have no motion before us. When the hon. member moves the motion, if the house gives him unanimous consent to do so, I shall be prepared to listen to what evidence he has.

I have no foreknowledge of what the hon. member is going to say. I should like to listen to him and listen to the minister make his explanation. If after listening to both of them I feel that this matter warrants further investigation, the calling of witnesses and the examination of any documents the hon. member may have, then I shall be prepared to vote for the motion. On the other hand, if after listening to both sides I think there is no impropriety I shall be prepared to vote against the motion. Surely we ought to proceed in an orderly way and have something before the house.

Mr. Nugent: May I ask the minister whether a specific charge of breach of privilege, consisting of tampering with a witness, is not a direct allegation of improper conduct?

Mr. Hellyer: Not the way you defined it.

Mr. Speaker: Order, please. I wonder whether all hon. members want the Chair at this point to express a view?

Mr. Langlois (Mégantic): Mr. Speaker, in the argument that has been made there is something that is not quite correct. The minister first of all suggested that this matter be referred to the committee on privileges and elections or to the committee on national defence. The hon. member for Edmonton-Strathcona seemed to agree to that. Now the minister asks that an amendment to the motion be brought in to indicate to what degree he may have tampered with the evidence in question. With all respect, I say that it is not for the hon. member for Edmonton-Strathcona to say to what degree the minister did that. That is why we in this party want this matter finished. This is the first time that the Liberals have suggested an amendment which would put them in the soup. I think we are out of order and we ought to get a ruling.

Mr. Speaker: Order, please. Obviously there can be no unanimous consent to suggestions made by hon. members. Is there unanimous agreement to the suggestion made by the hon. member for Edmonton-Strathcona?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I want to be very fair and give hon. members on both sides an opportunity to express their views as to whether

there is unanimous agreement to reverting at this stage to the question originally raised this afternoon by the hon. member for Edmonton-Strathcona.

Mr. Hellyer: Mr. Speaker, I cannot give consent to reverting unless the hon. member is willing to indicate that he will put forward a serious motion rather than a spurious one. If he will undertake that, I shall be pleased to give consent. That will not be as imprecise as this veiled situation is this afternoon.

Mr. Nugent: Is the minister serious about the amendment? He said, referring to the charge, that it was in performance of his duties as a minister of the Crown. I take it he does not want to be tried on his conduct as a member of this house.

Mr. Hellyer: Change it to "as a member of this house".

Mr. Pickersgill: You are not willing to make the charge.

Mr. Speaker: Order, please. The Chair is required to rule on the question before the house, which is whether we should adjourn the business of the house to discuss the matter we have been discussing for the last hour.

Mr. Starr: Mr. Speaker, before we do that may I say a word? I have not said anything so far. Regardless of how the Chair rules, I should like to direct my remarks to the right hon. Prime Minister as leader of the house and Prime Minister of this country and ask him, in view of the serious charges laid, whether he will not take it upon himself to give direction and leadership to the house by saying that this matter will be referred to the standing committee on national defence on Monday in order to clear away the charges which have been made this afternoon and so that his minister will not be left with a dark cloud hanging over his head?

Mr. Pearson: If the hon. member in question will put his charge in a form which is considered by the Speaker as indicating a breach of privilege which should be investigated, and if the hon. member will stand by his charge, we will see that that charge is dealt with at once.

An hon. Member: How do you want it spelled out?

Mr. Pearson: If there is no unanimous consent today the hon. member can follow the rules of the house, put his charge in writing, put it on the order paper, and the Speaker will decide whether or not there is a prima facie case.

Mr. Nugent: The Chair has raised a nice question—

• (4:40 p.m.)

Mr. Speaker: Order, please. The ruling which I have to make now is whether there should be an adjournment of the proceedings of the house to consider a matter of definite and urgent importance, according to the terms of standing order 26. The effect of this adjournment would be to allow a debate until five o'clock because, according to standing orders, an adjournment debate at this time does not dispense with private members' hour, and I think hon. members will agree with me it would be just a bit out of place and improper to grant an adjournment for a 15-minute debate.

In any event, if I require an authority to support my view that there should not be an adjournment, there was a ruling made in the house earlier this session—I will not say on the same question but on a similar question—at which time it was ruled that there should not be an adjournment.

Hon. members know, and I have said this before, that it is only in extreme circumstances that an adjournment is granted. It has not happened more than a very few times in many years that the business of the house has been adjourned. It may well be that this is a type of question which justifies an adjournment, but I have before me a motion in particular circumstances and I do not think that I can grant it in view of these circumstances.

One point I would like to bring to the attention of hon. members is citation 100 (9) of Beauchesne's fourth edition, as recorded at page 91 of that work, which states:

> —matters of privilege or order, or matters debatable only upon a substantive motion, cannot be submitted to the house under this standing order.

If the hon. member is right then he has a question of privilege, and according to this citation the Chair cannot grant an adjournment of the house to consider a matter which the hon. member says is a question of privilege and, as he has said himself, there has been no ruling from the Chair to the effect that there was no question of privilege.

The ruling was based on the point that the question had not been raised on the earliest possible occasion. In view of this I cannot

accept the motion but I would like to suggest, if this would be helpful to the hon. member for Edmonton-Strathcona, that in view of the fact that he has a motion—it may be a motion of privilege; I am not saying that it is and I am not saying that it is not—I believe he should consider the possibility of submitting this motion to the Chair. It would then be placed on the order paper. I would be pleased to discuss the matter with the hon. member and I think he should give some thought to this possibility. The hon. member may not feel that it should be done in this way and I respect his views, but certainly it would have the result of bringing the matter before the house for eventual resolution by hon. members.

If hon. members feel we should go on with orders of the day, for the 15 minutes remaining, then I shall call orders of the day.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, notice of motion No. 153 is acceptable to the government subject to the usual reservations concerning the consent of other governments.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary is it the pleasure of the house that notice of motion No. 153 shall be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. Stewart: Mr. Speaker, will you please call notice of motion no. 163? I ask that the remaining notices of motions be allowed to stand.

CANADA-WEST INDIES TRADE AGREEMENT, 1925

Motion No. 153—**Mr. McCleave:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all notes, documents, minutes or other documents or correspondence exchanged between the government of Canada and governments of members of the Commonwealth Caribbean conference regarding article VII of the Canada-West Indies trade agreement of 1925.

Motion agreed to.

DEMOLITION AND REBUILDING OF DOCK, DAWSON POINT, ONT.

Motion No. 163—**Mr. Peters:**

That an order of the house do issue for a copy of all reports, records, documents, tenders and contracts involved in the demolition and rebuilding of the dock at Dawson Point on lake Timiskaming in the riding of Timiskaming between the district office of public works, individuals and other persons and the Department of Public Works at Ottawa.

Mr. Speaker: The hon. member for Timiskaming.

Mr. Knowles: May this one stand as well, Mr. Speaker?

Motion stands.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR INCLUSION OF OPTOMETRISTS AND CHIROPRACTORS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, we might have been dealing with medicare today and I therefore ask the Prime Minister whether representations have been received from the Canadian Association of Optometrists for inclusion in medicare, and whether the government will give favourable consideration to the inclusion of optometrists who are legally and academically qualified in all provinces and whose services today represent 65 per cent or more of all the eye examinations in this nation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, representations have been received. Those representations would involve an important change of policy in respect of the proposed legislation and the matter is under consideration.

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. Does the minister not consider this profession an important enough segment of our national health program to be included in the scheme?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I certainly regard this profession as being very important but it is another matter, within the terms of the policy already established, whether it can be included. It is not really a question of the profession itself. It is the question of services by this particular profession which is under further consideration.

Mr. Diefenbaker: As a further supplementary question, what is the difference between the inclusion of optometrists and having oculists included? What is the difficulty there?

Mr. MacEachen: I think, Mr. Speaker, there is a great difference.

Mr. Diefenbaker: What is it?

Mr. M. W. Martin (Timmins): As a further supplementary, is the minister aware that in many regions of the country only optometrists and not eye doctors are available for patients, and is the government giving consideration to this fact when dealing with the matter?

Mr. MacEachen: I appreciate the point make by the hon. gentleman. Members of this particular profession have put forward their views with respect to the coverage of services rendered by their profession. The matter is under consideration and I hope when we get into committee on the bill it will be possible to make a clear statement on the matter.

Mr. Diefenbaker: Favourable?

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Will not consideration also be given to the inclusion of chiropractors and their services within the terms of the bill?

Mr. Speaker: Order, please. I have tried to be a bit lenient with this series of questions but I suggest that we appear to be dealing with a matter which some day will come before the house and perhaps these questions should be reserved for that time.

COAL

REQUEST FOR STATEMENT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on September 2 the Minister of Finance said that the government was studying the Donald report on the coal mining industry in Nova Scotia and that when the report was brought down it would probably be accompanied by a statement from the government regarding what it was going to do. I want to ask the Minister of Finance how soon we may expect a statement from the government as to what financial assistance it is going to give to the coal industry and whether it is going to carry out the commitment make a year ago for the provision of some $25 million to rehabilitate the coal industry, particularly in Cape Breton?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, when I made my earlier statement the government had been considering whether it would be issuing a statement at the same time as the release of the Donald report. Subsequent discussions led us to the conclusion that it would probably be better for all concerned if the public had an opportunity of reading the report before a statement on policy was made.

Mr. Douglas: As a supplementary question may I ask the minister how long the Donald report has been in the possession of the government and how soon the government expects to make its statement regarding financial assistance to the coal mining industry in Nova Scotia?

Mr. Sharp: The report has been in the hands of the government for some time and was not tabled until it was printed, but there has been no delay in the tabling of it. I expect the government will be in a position to make a statement on its policy soon but I cannot predict the exact date.

Mr. Donald MacInnis (Cape Breton South): Before asking a supplementary question may I make the observation, Mr. Speaker, that I believe the leader of the N.D.P. has been reading my mail. However, my question is directed to the Prime Minister. Is it the intention of his government to stand by the word of the former minister of labour, of the Minister of Transport and of himself by making available to the Nova Scotia coal mining industry the $25 million which was promised, including the $10 million contained within that $25 million for the opening of a new mine at Lingan? The Prime Minister's word is on record in this respect.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope that when the policy is announced before long it will be seen that we will warrant the congratulations and good wishes of my hon. friend.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I have a further supplementary question. It is a follow-up again to the question asked by the leader of the New Democratic Party of the Minister of Finance. The Minister of Finance indicated that the Donald report has been in their hands for quite some time. I should like to ask the Minister of Finance to explain why, when I asked on May 30 whether the government had received the Donald report, his answer at that time was that it was expected later in the week. Under what process could a report to be delivered later in the week come into the hands of the Queen's printer and be in the hands of the public in May, 1966?

Inquiries of the Ministry

Mr. Sharp: Mr. Speaker, we received the report in the manner described. It has taken considerable time to have it translated and made available.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Prime Minister and is based on the reply given by the Minister of Finance to the hon. member for Burnaby-Coquitlam. Who is to finalize the policy pertaining to the coal mining industry in Nova Scotia? Is it going to be the public or the government?

Mr. Pearson: The government announces the policy, but surely my hon. friend will agree that the public should have the opportunity to make its views known on a matter of this importance when consideration is being given to it by the government. Surely that is the purpose of a democracy.

Mr. Muir (Cape Breton North and Victoria): That is a very good point, Mr. Speaker. Since it is a fact that it is now away over a year since the hon. member for Inverness-Richmond said there was going to be $25 million made available to the coal mining industry, with $10 million allotted to a new mine, when are we going to get some action?

Mr. Pearson: In respect of a policy of such importance involving such expenditures of money, and a policy which we hope will be in effect for many many years, surely the hon. member will agree that it is wise to take the necessary time to make sure that it is a right policy.

Mr. Diefenbaker: Why announce the policy if it is not a right policy?

Mr. MacInnis (Cape Breton South): Mr. Speaker, is the Prime Minister aware that the public, which has a real interest in the Nova Scotia coal industry, is very much aware of what the situation is? Is the Prime Minister not aware that the Minister of National Health and Welfare, within the last two weeks in the constituency of Inverness-Richmond, restated the promise to give $25 million to the coal industry, including $10 million to open the new mine at Lingan?

Mr. Pearson: I am sure my hon. friend will be very happy about the policy when it is announced.

[Mr. MacInnis (Cape Breton South).]

[*Translation*]

OLD AGE SECURITY

REQUEST FOR STATEMENT ON PENSIONS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare.

In view of the fact that our senior citizens have been writing us to ask when the government will raise the pension for the needy by $30 to bring it to $105 a month, can the minister tell us when the government will proceed with this increase?

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): At this session, Mr. Speaker.

[*Translation*]

Mr. Caouette: I have a supplementary question, Mr. Speaker.

Will this old age pension be retroactive? Will there be a prior date or will those pensions be paid to the aged from the date of enactment?

Mr. Speaker: It seems to me that the hon. member is now anticipating the consideration of the legislation he has just referred to.

Mr. Caouette: On a point of order, Mr. Speaker. I am not the one who anticipates, but rather it is the old people of Canada who are anxious to get their pensions as soon as possible.

[*English*]

HOUSE OF COMMONS

CONSIDERATION OF AMENDMENTS TO ELECTION LEGISLATION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, may I direct a question to the Prime Minister. Now that the report of the committee on election expenses has been tabled in the house, when will this report along with the Canada Elections Act be referred to the committee on privileges and elections so that the desirable amendments to the Canada Elections Act can be made before the next time we need the provisions of this statute?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think it is desirable that this be done without delay. We will be discussing the matter tomorrow morning in cabinet and will endeavour to get it before the committee

without delay because it is very important that it be considered and action taken on it before the next election.

Mr. Speaker: The hon. member for Humboldt-Melfort-Tisdale.

Mr. Brewin: Mr. Speaker, I have a supplementary question.

Mr. Speaker: The Chair has recognized the hon. member for Humboldt-Melfort-Tisdale.

FARM MACHINERY

SUGGESTED LEGISLATION TO PROHIBIT PRICE INCREASES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Since the inquiry concerning the cost of farm machinery will take some time to complete, according to the minister's statement in the house, would it not be possible in the meantime for the minister to bring in legislation whereby machinery companies cannot increase the price of farm machinery during the inquiry period?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, in the spirit of the inquiry I understand that these machinery companies have been co-operating very effectively with the commissioner in his investigations, and I hope that in the same spirit the companies, in view of the inflationary problems with which the country is faced as well as the inquiry, will refrain from increasing prices prior to the determination of the inquiry. In respect of the question of current prices and whether there are current increases which are affecting the price of farm machinery, it certainly would be my view that a company should refrain, if at all possible, from increasing prices until we have the commission's report.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have a supplementary question. Has the minister made any representations to the farm implement companies along the line he has just suggested?

Mr. Greene: Mr. Speaker, at the moment I have had no representation or suggestion that price increases are mooted, but if I find they are I certainly would be prepared to make such a representation to the companies.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—REASONS FOR POSTPONEMENT OF INTRODUCTION

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, now that the Minister of National Health and Welfare formally has approved of the postponement of medicare, I should like to ask him whether the postponement was partly due to a lack of medical personnel to carry it out satisfactorily and, as the leader of the New Democratic Party said a day or two ago, was it partly because of representations from provincial governments and provincial premiers?

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker. The reasons for the deferment have been stated in the house by the Minister of Finance. These are the reasons which account for the deferment.

CAPITAL PUNISHMENT

ACTION OF CABINET IN COMMUTING SENTENCES

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, yesterday the hon. member for York-Humber asked me a question about commutation and I misunderstood him. I thought he was referring to the last commutation where there was a unanimous recommendation of the jury for mercy. In reading *Hansard* this morning I realized that he was referring to the second last commutation where there was no such recommendation. I apologize to him for having misunderstood his question.

[*Translation*]

HISTORIC SITES

QUEBEC—DEMOLITION OF HOME OF SIR ALEXANDER GALT

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

In view of the fact that the minister, last Thursday night, notwithstanding his wishes, did not have time to finish his remarks on the memorial to Sir Alexander Galt, would he inform the house today of the nature of his project?

Inquiries of the Ministry

Mr. Speaker: I think the hon. member should put his question on the order paper.

[*English*]

Mr. Speaker: With regret I have to bring to the attention of hon. members that it is five o'clock and the house will now have to proceed to consideration of private members' business which is listed on today's order paper, namely, notices of motions and public bills.

Mr. Sharp: Mr. Speaker, may I crave the indulgence of the house while I give an answer to an urgent question that was asked yesterday?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

POWER

COLUMBIA RIVER—REQUEST FOR FEDERAL ASSISTANCE IN DAM CONSTRUCTION

On the orders of the day:

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the hon. member for Kootenay West yesterday asked a question as follows:

Did Premier Bennett of the province of British Columbia ask the federal government for financial assistance toward the cost of the construction of the dams being built under the terms of the Columbia River Treaty? If so, what was the federal government's response to his request?

The Prime Minister was asked this question without notice and said he was unaware of any such request. Mr. Speaker, I should correct this immediately with the following reply. On September 16 Mr. Bennett wrote to me to confirm certain fiscal requests he had submitted at the tax structure committee meeting on September 14. These include two items relating to the construction of hydro-electric developments: first, $30 million requested on behalf of the British Columbia Hydro and Power Authority resulting from increased costs of the Columbia river dams due to the imposition of the 11 per cent federal sales tax after the signing of the agreement and, second, government of Canada credit to be made available to the British Columbia Hydro and Power Authority for its large capital construction programs. In such instances the government of the province of British Columbia would be willing to guarantee any borrowings involved.

• (5:00 p.m.)

In acknowledging this letter on September 23 I said that these requests would be taken into consideration.

[Mr. Allard.]

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question, Mr. Speaker. Was any figure named with reference to the amount of credit asked?

Mr. Sharp: No, Mr. Speaker.

BUSINESS OF THE HOUSE

REQUEST THAT GOVERNMENT BUSINESS BE PROCEEDED WITH

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, as second assistant house leader perhaps I should ascertain whether or not hon. members would like to use the rest of our allotted time to proceed with government business so that we may accomplish something today.

Hon. Michael Starr (Ontario): Mr. Speaker, in view of the government's rigidity in opposition to the will of parliament and in view of the fact that this suggestion is the brainchild of the Minister of Transport, I think we should proceed with our normal business.

Mr. Speaker: Order, please. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper.

FARM MACHINERY

SUGGESTED APPOINTMENT OF ROYAL COMMISSION

On the order:

Private members' notices of motions—Mr. Rapp—

That, in the opinion of this house, the government should consider the advisability of appointing a royal commission to investigate the increased costs of farm machinery across Canada, in relation to the price of farm products.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I withdraw this motion because the Minister of Agriculture (Mr. Greene) has already seen fit to appoint a royal commission to investigate farm machinery prices.

Order discharged and motion withdrawn.

UNEMPLOYMENT INSURANCE

SUGGESTED AMENDMENT REGULATIONS RESPECTING BARBERS RENTING CHAIRS

On the order:

Private members' notices of motions—Mr. Smith—

That, in the opinion of this house, the government should give consideration to the advisability of having the unemployment insurance regulations amended to provide that barbers renting chairs from owners be classified as self-employed people as this is the case under the Income Tax Act.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, the hon. member for Simcoe North (Mr. Smith) has instructed me to ask that this motion be withdrawn.

Mr. Speaker: Does the hon. member have the authority of the house to withdraw this motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

[*Translation*]

CRIMINAL CODE

SUGGESTED AMENDMENT TO DEAL WITH OFFENSIVE WEAPONS

Mr. Fernand E. Leblanc (Laurier) moved:

That, in the opinion of this House, the government should consider the advisability of setting up a special committee to study matters relating to the import, export, production, sale and purchase of firearms, and that this committee should study the advisability of amending the Criminal Code, section 82 and the following sections with regard to offensive weapons.

He said: Mr. Speaker, first of all, I should like to point out that the notice of motion includes the word "export" and that as Canada is obviously not a firearms' exporting country, I think it would be reasonable to delete the word "export" from the motion.

Newspapers reported recently, Mr. Speaker, that the right hon. Prime Minister, Mr. Pearson, deemed it would be necessary for the federal government to exercise a more rigid control over the ticklish problem related to firearms. Moreover, the announcement came at the same time that President Johnson was also considering requiring from Congress tighter regulations in regard to the same problem.

Canada, Mr. Speaker, must not wait until a slaughter like the one in Austin, Texas, happens to solve such an urgent and complex problem.

I have studied this problem since the assassination of President Kennedy, and on January 20, 1966, I had the honour of presenting in the House of Commons the notice of motion which you have just read.

Since then I had the privilege of discussing it with many French-speaking and English-speaking Canadians; a private television station, Télé-métropole, on channel 10, even invited me to explain to the people my views on the control of firearms in Canada.

I can assure you that the comments received are favourable and that most people would be glad to see the Criminal Code amended so as to allow government control of firearms.

Indeed, it is the duty of the federal government to protect society with the means under its jurisdiction, of which the Criminal Code is one. It is also the duty of the federal government to co-operate with police forces in Canada and with financial institutions and particularly banks which spend millions of dollars each year on their own security. It is up to the federal government to take all the necessary steps to stop the crime wave which not only causes tremendous financial losses but also costs many human lives.

According to the daily bulletin of the Dominion Bureau of Statistics, volume 24, number 231, dated Thursday, December 2, 1965, the number of people against whom charges are laid has increased from 389,326 in 1962 to 453,136 in 1964.

These figures speak for themselves and show clearly that the federal and provincial justice departments must join forces to fight this incredible increase in crime. Obviously, an increasingly closer co-operation between the services responsible for law and order is necessary and the fight against crime should be given priority by governments at all levels.

However, I should like to draw the attention of the house to offences reported by police involving the use of offensive weapons. This DBS report shows that such offences are increasing. In 1962, 2,608 offences were reported, 2,900 in 1963 and 2,938 in 1964.

Offences do not tell of course the whole story as far as offensive weapons are concerned, because in many cases the offence will be classified under a different heading, for instance, robbery with violence.

• (5:10 p.m.)

And at present, statistics do not show separately the crimes committed with offensive weapons. While the minister responsible for statistics is here, I would like to call his attention to the fact that the statistics, at the present time do not show separately the crimes committed with offensive weapons.

A statement prepared by the Montreal police shows that between 1950 and 1957, the average yearly number of hold-ups in Montreal was 225, whereas in 1964 and 1965 it was 793 and 603 respectively.

The 1961-1964 edition, published in February 1966, of the book containing statistics on homicides shows that the number of homicides committed with firearms has increased from 84 in 1961 to 105 in 1965.

Moreover, Mr. Justice Lazure said, a few years ago, that 75 per cent of crimes are committed with firearms, and this single remark could justify the remarks which are about to follow.

From those statistics, one could draw a lesson which can be summarized thus: prevention is better than cure.

Prevention in the field which concerns me would be a complete revision of the Criminal Code as far as importation, production, sale, purchase and possession of firearms are concerned.

This motion, Mr. Speaker, does not pretend to settle all the problems in that field. Before translating it into definite legislation, all persons concerned and all experts should be called upon to express their opinions: police chiefs, attorneys general, rifle clubs fish and game associations, collectors, manufacturers and dealers. However, this is a start since I am asking the government to control firearms from importation or manufacture to final sale.

The act which should normally follow this motion should restrict the use of firearms, which is much too free now, by setting up a systematic control, not only over the sale and purchase of firearms, as I said a while ago, but also over their manufacture and repair.

The act could and should provide that whoever has firearms in his possession should have a licence and that whoever manufactures, repairs, purchases or sells firearms, wholesale or retail, in Canada or on foreign markets, must keep proper and complete records of all operations concerning those firearms.

This motion will, I trust, draw the attention of the public on the problem. I hope that to help me in the task, intermediary bodies, newspapers, radio and television stations, in one word, all information media will also draw the public attention on this urgent and complex problem. It requires the full co-operation of all levels of government, the population, the police forces and the financial institutions.

Already in 1960, the federal government proceeded here with the consideration of the problem of firearms. A non official committee was entrusted with considering the provision of the Criminal Code concerning firearms; that committee was composed of representatives of the legal branch of the Department of Justice, the Department of National Revenue, the R.C.M.P. and the Canadian Association of Police Chiefs. It considered the matter with great care but the department did not proceed with certain recommendations because opinions were divided and, in some cases, contradictory. It has now been inactive since fall 1963.

But as this committee could not agree and reach majority conclusions and since this is a complex, huge, important and urgent problem, I think it would be better to set up a special committee of the house to deal with it, as was done in the case of the committees on pensions and the flag.

As I mentioned earlier, this committee could call as witnesses experts and representatives of public bodies interested in this ticklish subject, such as members of the Wildlife Federation, representatives of hunting, fishing and shooting clubs, collectors of ancient weapons, representatives of the law at all levels of government, law enforcement officers, weapon manufacturers, wholesalers and retailers, customs officers and prison wardens. The report of this committee could serve as the basis of a bill concerning sections of the Criminal Code dealing with firearms.

I think the federal government should seriously consider the restriction of the right of any citizen to possess or use firearms and the amendment of sections of the Criminal Code dealing with the control of firearms. The press and justices of assize courts as well as magistrates of police courts are complaining against the fact that practically anybody, even very young persons, can today purchase firearms. Public opinion has been aroused and people request that concrete steps should be taken to limit the right to own firearms and that it should be made more difficult to obtain permits.

The rate of crimes involving armed aggression which I mentioned earlier shows that criminals can too readily secure firearms without abiding by regulations, that is the Criminal Code or the Customs Act. This can be explained by four factors.

First of all, there are thefts in stores selling firearms and there have been thefts in barracks. There is also the illegal importation of firearms from the United States where the firearms business has even a freer hand than in Canada. Incidentally, I was pleased to learn through the press that senator Thomas Dodd's committee has been doing a tremendous job in urging the American government to exercise a strict control over firearms.

There is also a lack of control in the sale of firearms from the wholesaler to the retailer

and, finally, it is easy to modify firearms which are not affected by the restrictions described in sections of the Criminal Code dealing with registration of certain types of weapons.

In December 1965, Mr. Léo Lavoie, general manager of the Provincial Bank and vice president of the Canadian Bankers Association voiced vigorous protest against mercy granted by the authorities for armed offences in the following terms:

> Chartered banks are fully conscious of their own responsibilities with regard to security within their respective branches. It seems, however, that the continuous increase in the number of robberies in certain parts of the country and the more frequent use of firearms could be attributed to sentences obviously not proportionate to the seriousness of crimes committed with the help or the use of lethal weapons.

And a little further on—

> —the presence of a revolver should surely be admitted as proof of intent to make use thereof.

Exactly, what is the definition of a firearm? Section 98(b) of the Criminal Code gives the following definition:

> "Firearm" means a pistol, revolver, or a fire arm that is capable of firing bullets in rapid succession during one pressure of the trigger;

As we can see, this definition does not apply to a large number of firearms which are automatically left out of this definition found in section 98(b).

The police in particular have made several suggestions aimed at solving the problem, among which I have selected a certain number which could be the object of detailed study on the part of special committee, which I suggest should be set up. This committee could consider the advisability, in order to provide more efficient control, of deleting from the Criminal Code sections 82 to 98 inclusive, dealing with offensive weapons, and of drawing up special legislation with regard to all types of weapons. This law could contain regulations concerning standards for owning, storing, importing, manufacturing, selling, purchasing, which could be amended according to circumstances by the Minister of Justice without having to go through the house, just as we have a special act, the Explosives Act.

• (5:20 p.m.)

Among these regulations, there should be one grouping fire arms into two well-defined categories. First, weapons of restricted use and requiring the issuance of a permit and compulsory registration; second, prohibited weapons.

Provision should also be made for more severe and even drastic penalties for people convicted of an offence against the new act.

The law should provide for imprisonment without the alternative of a fine. Today, our courts impose a minimum fine in the case of every person caught in possession of firearms without a permit. The penalty provided should be more severe than it is now and the judge should also have power to order the firearms confiscated for good. Sentences should be served separately instead of simultaneously.

The whole section of the Criminal Code dealing with the issuing of permits should likewise be reviewed. In the case of criminals already possessing a police record, firearms permits should undoubtedly be refused.

The permit itself should constitute a proof of authenticity and it should be impossible to print such a permit without having the necessary paper, as is required for the printing of paper money or voting ballots. The form used at present can be printed by anyone in the trade. It goes without saying that the form should be bilingual, instead of unilingual as at present. The applicant for a permit or the purchaser of a firearm should be required to identify himself fully and completely, so as to ensure that the permit holder or the owner of a firearm is actually the same person entered in the records. A full investigation should be conducted regarding every applicant, even though it may involve some delay in the issue of the permit.

Nowadays, armed convicts with a heavy past and extensive criminal records can stroll about the streets. The applicant for a permit should sit for an examination proving his knowledge and his ability to handle firearms, just as a person who wishes to drive a car must do so, before obtaining a permit.

Section 94 of the Code authorizes the commissioner of the R.C.M.P. and the attorney general of a province to deliver such permits. Since section 94 authorizes the attorney general of a province to deliver permits in a province, the authorization granted to the commissioner of the R.C.M.P. is restricted to the issuance of interprovincial permits as in the case of employees of shipping companies. The local registrar of firearms has now a discretionary power for the issuance of permits.

Fortunately, in Quebec, the issuing and renewal of permits are subject to very strict regulations and I believe that a permit should be required for any firearm, even for sports.

It should also be prohibited not only to saw off the barrel of a firearm to less than 20 inches, but also to alter firearms to specifications other than those of the manufacturer. For instance, the "FN" rifle, which can now be purchased without a permit, can be altered by inserting a small piece of cardboard of the necessary thickness to produce a submachine gun. Recently another type of gun was put on the market, the "Enforcer". This firearm is described as a pistol in catalogues, but its operation requires both hands, and a slight alteration is all that is required to make it into a submachine gun.

Why are some companies allowed to make rifles with barrels shorter than 20 inches since such firearms are prohibited by the Criminal Code. The legislation dealing with the import of firearms should also be revised in order to avoid a conflict of authority between customs officials and provincial police forces.

The new legislation should control firearms at the source, either at the import level or the production level. The makers of firearms should be forced to get a special permit. They should also be compelled to keep a detailed record of their sales and to make a monthly report to the authorities concerned.

Retailers should be forbidden to have in stock firearms other than those covered by a permit in Montreal, in Quebec city and in Eastview, where firearms were stolen in retail stores, criminals got their hands on automatic rifles, submachine guns and automatic revolvers.

If such firearms are completely prohibited, Mr. Speaker, how is it that dealers are authorized to sell them? Stores doing business in firearms should be forced—

[*English*]

Mr. Deputy Speaker: I apologize for interrupting the hon. member but the time allotted to him has expired.

Mr. Leblanc: Two more minutes, Mr. Speaker.

Mr. Deputy Speaker: Does the house give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Leblanc (Laurier): As I was saying, Mr. Speaker, stores dealing in firearms should be required to take greater safety measures to protect their premises. They should be required to send the police a monthly report indicating clearly the names and addresses of those who bought firearms. At present, they must keep a register to which the police has access whenever it deems it advisable.

In closing, Mr. Speaker, I wish to thank the persons who supplied me with the information on which I based my observations, namely Hon. Claude Wagner, former minister of justice in Quebec, Mr. J.-A. Robert, director of the provincial police, Mr. Roland Perron, deputy chief of the Montreal police, Mr. George Shea, secretary treasurer of the Canadian Association of Police Chiefs, Mr. J.-G.-R. Sénécal, of the customs division, Mr. W. A. McGill, head of the Dominion Bureau of Statistics, judiciary.

[*English*]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I rise to say a few words on this motion. I wonder where the former speaker was raised to have put forward such a proposal in the hope that this house would support him. He has not defined what he means by the control of firearms except to say that special permits should be issued and monthly reports made. Let me tell him that I have used firearms ever since I was old enough to pack them, and it is the privilege and the requirement of sensible people in the west to have firearms in their homes for the shooting of hawks, gophers, coyotes and predatory animals. The hon. member thinks that amendments should be made to the Criminal Code which would deny us freedom in the use of firearms. When our children are old enough we buy them a .22 and take them out to shoot gophers. We teach them how to handle firearms and we teach them safety methods. We teach them that whenever they have a gun in their possession they must never point it at a person but always toward the ground. These things are drilled into our young people and their friends. We have been brought up with firearms. I say this about the common run of people.

The second point I wish to make is that what the hon. member proposes to do by amending the Criminal Code will not stop anyone from being shot or murdered. He is mistaken and is jumping to conclusions when he thinks that this is the way to stop people from being shot. Before this debate is over he will be made to realize that his is a fallacious argument and that other means should be sought. I think the hon. member was not too far off the track when he spoke about the education of younger people in the use of firearms.

Another point is that in our area the shooting of partridge, pheasants, ducks and geese brings in thousands and thousands of dollars. The same is true of big game. Many people engage in this sport and they buy firearms for this purpose. We all have firearms and we use them to have a little fun and pleasure. It is part of many citizens' desire to go out and get a moose or a deer. Is the hon. member going to deny them that pleasure? Will he make them sign something every month that they have a firearm? Will he end sportsmanship in this country under the guise of trying to stop murders committed by people in the possession of firearms? You just cannot do it. You are on the wrong track in what you are seeking to do. You are following a will-o'-the-wisp. You are looking at a simple way of doing it and the way you are suggesting will not take care of the situation.

• (5:30 p.m.)

A sportsman has the right to exist. The government has a right to the revenues that are obtained from the sale of firearms for sporting purposes. I should not like to see this parliament be so stupid as to pass a law that would forbid the sportsmen of this country the right to be sportsmen. I happen to enjoy the privilege of hunting when I have the time. Hundreds and hundreds of people all over the west do the same thing. If my friend is from one of those eastern cities in which somebody gets a gun and shoots somebody, I suggest that changing the Criminal Code will in no way curtail that. You can put all the laws on the statute books that you want, but these people who want to shoot other people will get guns to do it. The thing to do is to use education to train people to use weapons correctly. A certain amount of training for sportsmen and other people is absolutely necessary.

I can give my hon. friend an illustration. In the Arctic, at Aklavik, the people carry guns all the time but nobody ever gets shot. In the Mackenzie River delta the people shoot millions of muskrats during the wintertime. In order to save the fur of the muskrat you have to be able to shoot the muskrat right through the eye or through the head. In the public school at Aklavik the principal who is called "Moose"—he is a real man and does a good job of teaching the children—conducts target practice in the basement of the school in order that these people will be able to shoot muskrats through the head and thus have these most valuable pelts. I just mention this one illustration. Go anywhere in the Northwest Territories and you will find people using guns. They must carry guns. This gentleman here in the back row would have them report once a month and if they did not report once a month he would say they were violating the Criminal Code.

Mr. Leblanc (Laurier): Would the hon. member give me a chance to explain? I think there is one part of my statement that was not understood. I mentioned that every month the manufacturer or dealer in firearms should report, not that the people possessing firearms should report. This is quite different.

Mr. Kindt: Well, one regulation leads to another. What you are aiming at is an inventory of all weapons. I see the hon. member who represents the constituency west of me laughing.

Mr. Byrne: I said it was a good pun; he is aiming at something.

Mr. Kindt: I doubt it. The hon. member for Kootenay East, who represents the riding just west of me, knows very well what the people of his riding would think about this piece of legislation. They would not care a damn about it. They do not want it. They would not be long in telling him so either, because they are used to firearms. The hon. member for Kootenay East has used firearms to shoot bear, moose and other animals in his part of the country. He goes shooting ducks once in a while. Yes, perhaps he even shoots the bull. However, he would be the last one to want this type of legislation.

People have written to me about it and that is why I have taken the trouble to speak on this measure. One person at Okotoks, who has been a sportsman all his life and has been engaged in the sale of firearms, has written to me on many occasions about bills such as this. I hope this is the last one that will be brought before the house. I have referred these letters to the Department of Justice in order that they may know what the people of the country think. We do not want to penalize everybody because someone thinks that what he is proposing is going to correct a problem. Nobody wants to see the shooting of other people. Nobody wants to see the use of firearms abused, but at the same time what the hon. member is proposing will not solve the problem.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to say only a few words on this bill but I should like to begin by saying

that I have some measure of sympathy for the argument advanced by the sponsor of the bill, the hon. member for Laurier (Mr. Leblanc). At the same time, I find that I am in some agreement with the remarks, though perhaps not the manner in which they were advanced, of the hon. member for Macleod (Mr. Kindt). I say that because certainly anything that this house can do within reason to eliminate the misuse of firearms should be done. If amendments to the Criminal Code are a way of doing it effectively, then I would have no objection to that.

However, I have to say that I do not believe the kind of amendment advanced by the hon. member for Laurier will in fact do anything at all to eliminate the misuse of firearms. There is no disagreement about the fact there is a problem that should be dealt with, but the imposition of severe restrictions on the sale and ownership of firearms is not going to do it. I challenge the hon. member for Laurier to produce any statistics to indicate that a firearm purchased from an authorized and licensed dealer has been used by some person to commit a murder or otherwise used in a criminal act.

I think it is a fact that in most cases firearms which have been used for criminal acts have been stolen weapons. Putting this restriction on a large part of the Canadian population is certainly not going to get at the root of the problem, which is to stop the theft of firearms and the misuse of them thereafter. If we are going to accept severe restrictions upon dealers and purchasers of firearms, such as those that have been outlined, I hope we can be given an argument that carries more weight. An argument in the same vein could be advanced, for example, with regard to the sale of automobiles. They kill far more people than firearms and do so consistently every week of every month of every year. There are pieces of equipment or devices commonly used by large numbers of the Canadian population that are extremely dangerous if misused.

• (5:40 p.m.)

Therefore, Mr. Speaker, while the hon. member has had the opportunity of bringing before the house some of the problems involved in connection with the misuse of firearms, I hope he will be unable to convince members of the house that even a small measure of correction of this misuse can be found in bringing in this severe restriction and imposing it upon hundreds of thousands of Canadians who buy firearms and use them properly.

[Mr. Olson.]

Mr. S. Perry Ryan (Spadina): Mr. Speaker, like the hon. member for Macleod (Mr. Kindt) I too was a gopher shooter in my boyhood days. I recall very clearly the days I spent in the fields around Crown Hill just outside my home town of Barrie. However, let me say at the outset that the motion moved by the hon. member for Laurier (Mr. Leblanc) is, in my humble opinion, a very timely one, and I congratulate him on bringing it forward at his first opportunity even though he may have preferred to be with his delegates and constituents listening to the big and little guns of the Liberal party which are still firing over at the Chateau Laurier.

With increasing population and development in our cities and towns there is added opportunity and temptation to commit crimes of violence. I submit that a review of the law with respect to the carriage, possession, custody and other aspects of firearms and other offensive weapons should be made during the life of this parliament. However, I do not think that all members would agree that a special committee should be formed.

Personally, Mr. Speaker, I think that the subject matter of this motion should be referred to the existing standing committee on justice and legal affairs. I feel that it is exceptionally well equipped under its chairman, the hon. member for High Park (Mr. Cameron), to deal with a subject matter of this kind. While I think there is need for the suggested review, I do not believe there should be any radical disarming of our solid citizens and police officers across the nation.

Police officers in England are not armed but in that country a different situation obtains. They have there a few lonely stretches but they are few and far between. In Canada we have vast areas of uninhabited country consisting of bush and swamp, areas that a man would be foolish to traverse or to inhabit without firearms to defend his person, his family and his possessions.

Furthermore, there are many species of deer, rabbits, varmints and pests that need to be harvested annually or at least occasionally to keep them under control. Perhaps the constituency of Macleod does have a gopher problem, but we all know that Australia certainly has a rabbit problem and that in New Zealand professional hunters are employed all year round to keep the ever-abundant deer population from destroying farmers' crops. They are a real menace there. We do not have to go to the cost of controlling

our wildlife when animals become pests in this country.

Again, there are many sportsmen in Canada who have proven that they are experts in the use and control of firearms, for example, in trap and skeet shooting on ranges, and in all forms of hunting, whether it be bird, big game or varmints. I submit that these men are foremost in good citizenship and conservation projects and, when need be, in the defence of their country.

I would hate to see any law passed, Mr. Speaker, which would deprive the farmer or the sportsman of his right to possess and to use legally a legal length rifle or a shotgun. I also think there are others who are entitled to use firearms, such as a banker in a small village who might need a pistol or revolver in his branch for protection. I am sure there are many cases where it would make common sense and would be advisable to issue permits for firearms, both short and long.

The present law relating to offensive weapons can cause serious problems to innocent individuals as the law now stands. I recall a case I handled some years ago where a Hudson Bay factor travelling by train to Toronto happened to open his suitcase in the train to show something inside it to a person with whom he had become acquainted. In doing so a pistol came into the view of some of the passengers on the train. A lady on the train became quite excited and called in the railway police who arrested this factor.

The fact is that this person had been in the north for so long that apparently he could not quite make himself understood in his nervous condition. He was arrested and charges were laid under section 82 of the Code and I believe also another section. He was pretty well hounded by a combination of railway and other police, taken to court and put to a very expensive defence. His only mistake was that he failed to realize when coming from the far north to the south of the country that there would be a different application of the law and probably in a moment of forgetfulness he had put the pistol which he needed for his own protection in the north into his suitcase, though not having a permit to carry it. That is the kind of trouble that he got into. So I would submit there are one or two aspects of the law as it now stands which could be criticized, altered and improved.

I recall that during the last war a problem arose over thefts of firearms from manufacturers such as John Inglis and other small arms plants. A few of the people who worked in these plants would steal parts of firearms which would be assembled outside the plant. I recall that the police had quite a problem with this sort of thing for some time after the war. I know of one man who was slain by such a weapon.

• (5:50 p.m.)

There is no question in my mind that the indiscriminate distribution of firearms, including defensive weapons, is a bad thing for this country. I recall that after the last war my brother brought back from Germany a Schmeiser, which I believe is sort of a German submachine gun. It is a rapid-fire weapon. Shortly after the government passed a regulation requiring people holding such weapons to divulge that fact. The R.C.M.P. attended, and with considerable regret we saw this war trophy leave our home. But we recognized that that weapon could be stolen and that it was in the best interests that the government's regulation be carried out.

The regulation of firearms in Canada is not in the hands of the federal government. Gun licences and permits are issued by provincial authorities and certain other aspects are controlled by them. In looking into this situation, therefore, it would be necessary to consider the rights and interests of the ten provinces.

Witnesses as to the modern state of affairs in government circles and in police, military and sporting circles, with respect to the question of firearms and defensive weapons, should welcome the call to arms discussion which I hope the hon. member for Laurier has initiated.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to make a few remarks on this motion. A consensus has arisen about this matter to the effect that in essence some consideration should be given to revising the rules concerning firearms but that the hon. member who sponsored the motion has gone much too far.

This question has been discussed on a large scale in the United States because of the unfortunate assassinations there. There has been resistance to changing the rules governing firearms for the very reasons which have been given by hon. members, namely, that the use of firearms in itself is not illegal and that we should not assume that licensing weapons will eliminate their illegal use. Those, I think, are proper assumptions to make. We know very well that anyone bent on assassination, illegal activity or violence

can obtain and conceal a weapon. In fact, in some cases this is done so that identification will not be too easy.

I do not think that the immediate objective of preventing crime or reducing the number of violent crimes would be met by what the hon. member has suggested. Since the hon. member put this motion on the order paper we have had an incident in this house. I am sure that had he put the motion down after that incident be would have included a reference to explosives. Following the incident here we found that explosives were extremely easy to obtain without licence, and apparently without difficulty. I think this shocked many people.

The second point arising out of that incident was that the man in question was encouraged to do what he did by having spoken to someone who suggested that it would be very easy to throw dynamite or a bomb into this house. There is something to be said, therefore, for a form of licensing which will will not make violent weapons so easy to use. The hon. member has brought before the house a suggestion meriting consideration, but I do not think anyone feels that we should go as far as he suggests.

To bring my remarks to a conclusion, may I summarize. First, I think there should be a better system of licensing offensive weapons, not for the purpose of eliminating them or reducing their numbers or use but merely so that it will be known where they are. Second, the use or ownership of such weapons should not be limited. Finally, in connection with and in addition to licensing, instruction on safety measures ought to be given.

I think that the bringing of these questions before some interested body would be well worth while. I am not sure that a special committee is the proper place. I think that this sort of thing should originate with the Department of Justice and the Attorneys General. The government on its own responsibility should bring in legislation. Following that, I suppose the matter would be referred to a committee.

I feel that we are doing too much by way of committee work on some matters that are strictly for the administration of justice to deal with. In this case I believe the better thing would be for the government to ask the Minister of Justice to consult with all the persons interested, the Attorneys General, sportmen's clubs and so forth, so that some consensus will be reached about what is actually required in order to bring in legislation.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker as I do not believe in the principle that a bill or a motion should be talked out, I shall forego my right to speak.

An hon. Member: Six o'clock.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I concur with the hon. member that too many bills in this house are talked out. However, we have before us today a motion which, as has been pointed out, is somewhat imperfect. The hon. member who has introduced it also has a bill on the order paper. I presume there will be an opportunity of discussing the specific suggestions at the time it is debated.

With respect to the motion I think the suggestion of the hon. member for Parry Sound-Muskoka (Mr. Aiken) is excellent. I am glad he has not taken the attitude of airily dismissing this problem in the way the hon. member for Macleod (Mr. Kindt) did. I think the matter should be carefully examined to make sure that better safety measures are found. This is our first concern. I believe it ought to be examined in the Department of Justice. When the hon. member for Laurier brings forward his bill I hope at that time it will appear in the interests of this house and of all citizens of Canada that it be referred to a committee, perhaps to the committee on justice and legal affairs.

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

BUSINESS OF THE HOUSE

Mr. Winkler: I should like to ask the acting house leader what the business will be for tomorrow.

Mr. Pennell: Mr. Speaker, we shall again attempt to call item 82, commonly known as the medicare bill.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, October 13, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. NUGENT—OBJECTIONS TO STATEMENTS BY DEFENCE MINISTER

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, I rise on a question of personal privilege arising out of a statement made by the Minister of National Defence which is to be found on page 8583 of *Hansard* of October 12. The sentence I object to is as follows:

> Mr. Speaker, I cannot give consent to reverting unless the hon. member is willing to indicate that he will put forward a serious motion rather than a spurious one.

The word "spurious" impugns my honour and integrity in connection with the charge I made against him yesterday. I did not raise this question last night; although I was here in my place and heard the minister speak I did not hear that word, or I am sure it would have impressed itself on my mind. Perhaps I thought he said "furious", which would not have been objectionable.

At first I thought perhaps that one word in itself would not give rise to the serious question of privilege I now raise, but on looking over *Hansard* and the entire list of statements which the minister made in this house yesterday there is obviously a course of conduct followed by the minister which would lead me to believe he was trying to give this house the impression that I was not making a sincere attempt to bring before this house something which I think is of the greatest importance.

In order to fully understand the intended connotation of the word "spurious" one need only look at *Hansard* and read similar words. Taken together these words can only mean one thing. I have looked up the word "spurious" in the dictionary and there are three definitions worthy of quoting. The word is stated to mean "not genuine". Another definition of that word is "not being what it pretends to be", and yet another is "not proceeding from the pretended source".

In order to establish that this is a serious question I will later on give the house the text of the motion I moved yesterday, which shows the intent and scope of the question. First I should like to refer to two or three references in *Hansard* where similar types of words were used. At page 8572 there are two references. The first is this:

> Mr. Speaker, obviously no one is more interested than I in having these slanderous insinuations dealt with in a proper fashion and in a proper forum.

The word "slanderous" in that context certainly imputes that this was not a serious question and that I did not proceed in an honourable way. At the top of the same page the minister said:

> • (2:40 p.m.)
>
> It is clear that the object of this exercise is merely to frustrate the business planned for this afternoon.

I did rise on a question of privilege at that point objecting to the minister imputing an improper motive. I will not read it again but would remind the house of its context, namely that I considered the suggestion to be part of a planned campaign to discredit as dishonourable what I claim to be an honourable motive in making the charge in this house.

As reported at page 8577 the minister, when referring to the charge, said:

> And also a trifle evasive.

This was said as though I had not leaned over backward to make the charge specific and to make sure there could be no misunderstanding of its meaning, and as though in fact I had not gone out of my way to explain it in every way possible because I felt the minister had the right to know what the facts were upon which I was relying to prove my charge. On page 8583 of *Hansard* there is the word I have objected to, namely that this was a "spurious" charge. Then on page 8581 the minister made this statement:

> —"tampering" is so broad that it could include scratching your back.

When we consider all these remarks and the word "spurious" we can understand why one of the difficulties we ran into yesterday was the fact that I did not have an opportunity to bring before the house the actual facts alleged, the importance of the changes

made in the testimony, so the house could see for itself that I could not honestly be charged with bringing in a spurious charge and no one could seriously say that this course was not taken in a very serious manner and that the facts alleged do not constitute, if proven, a very serious breach of the privileges of this house. The motion I had intended to make yesterday reads as follows:

> That the allegation made this day by the hon. member for Edmonton-Strathcona against the Minister of National Defence, Hon. Paul Hellyer, be referred to the standing committee on privileges and elections to deal with and inquire into the evidence and the witnesses before the standing committee on national defence during this session of parliament, and the practices and procedures involving witnesses, and evidence in appearances before the said committee, and in particular with regard to Admiral Landymore's appearance.

It will be obvious from reading that motion that the motion itself indicates, had the minister read it, that instead of making a spurious charge I had indicated to the house that I intended to refer this matter to the committee on privileges and elections. As will be seen from the motion, it was not just Admiral Landymore's testimony that should be investigated, but the facts I have in my possession indicate that the testimony of every witness heard by that committee must be viewed with very serious doubt. From the remarks made by the minister and also from the course of conduct in this matter it is obvious that the house should consider rules to guide witnesses, ministers and senior officials, so that when people are called before a committee of the House of Commons they may plainly understand what are the limitations of authority of a minister in giving advice to people who want to prepare and present a case.

I hope I have made a prima facie case, Mr. Speaker, and perhaps you will now allow me to proceed to the evidence that I think it is necessary to give the house so the gravity of the situation may be understood. I think the minister would concur in this.

He said on page 8572 of *Hansard*:

> I make that suggestion because I do not think the alleged facts as presented here today can be separated from other facts and questions that will no doubt be considered at the time that committee meets. I think this matter should be considered in a forum where—

He was then interrupted. It seems to me, Mr. Speaker, that considering the statement I made yesterday and the charges I laid, which were unanswered; and the fact that the minister has impugned my honour and integrity, I have the right to ask that the matter be

[Mr. Nugent.]

referred to the committee on privileges and elections. I will therefore make a motion to that effect as soon as the Speaker has decided that I have made a prima facie case.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am sorry my hon. friend took offence at the word "spurious". To the best of my knowledge and belief it is not an unparliamentary word. If I am wrong in that contention I will be pleased to have you so inform me. Similarly I was not imputing any motives. At the time I made the reference to the word "spurious", I was unaware of the full range of meaning of that word, but after looking it up in Webster's Seventh New Collegiate Dictionary I was surprised to find I had hit the nail right on the head.

Mr. Nugent: I cannot accept that as a satisfactory explanation, because I am afraid the minister's statement that his use of the word was unintentional does not get around the statement which he made very clearly and forcefully and which appears on page 8572 of *Hansard*. He said:

> It is clear that the object of this exercise is merely to frustrate the business planned for this afternoon.

He certainly knew the meaning of those words and did not have to look them up in a dictionary. I suggest that in view of this, because of the suggestion made and the way it was reported in the press, my name can now only be cleared by the sort of hearing that is necessary to clear the minister's name. I would therefore like to proceed with my question of privilege if the Chair will permit me to do so.

Mr. Speaker: The hon. member has asked the Chair to rule on whether he has a prima facie case of privilege. I have not been given an opportunity to do so until now. I do not want to interrupt the hon. member; since he suggested yesterday that I interfered a little hastily I will try not to get into difficulty with him in the same way today.

If hon. members agree and if no further contributions are forthcoming from either side of the house on whether the use of the word "spurious" is unparliamentary to the extent that it impugns the integrity and honour of the hon. member, this is the only point I have to consider. The hon. member also referred to two other statements made by the minister. But what the hon. member is saying is that the word "spurious" is unparliamentary and that it impugns the honour and integrity of the hon. member. I can

assure him that I appreciate his kindness and thoughtfulness in giving me notice of the question of privilege which he has raised. I can certainly tell him today that in my view he has given sufficient notice to place the matter before the house. This is one of the requirements which he has met satisfactorily.

There is another requirement about which I am not so sure. I have consulted certain dictionaries for a definition of the word "spurious" and have found the same interpretation as that given by the hon. member for Edmonton-Strathcona; that is "not genuine, not real". I looked at the translation of the word, and perhaps because of my training was impressed by the significance given in the French *Hansard* version of the word used in English by the hon. member. The French *Hansard* reads: "simulacre de motion", an unreal motion or a motion that is not genuine. Obviously this is the interpretation we have to place on that word.

• (2:50 p.m.)

My limited experience in the house indicates that it is not, per se, unparliamentary to say of another member that the statement he makes is false, untrue, wrong, incorrect or even spurious, unless there is an improper motive imputed or unless the member making the charge claims the untruth was stated to the knowledge of the person stating any such alleged untruth.

The minister has taken the opportunity to do what I would have asked him to do in any event, to say that he did not impute motives. The Chair has to be guided by what the minister has stated and by a prima facie interpretation of the word itself. I do not believe that saying a statement made is spurious is unparliamentary, or that a statement is incorrect, wrong or untrue, if no motives are imputed by the person making such a statement. I have to rule with regret—I hope the hon. member is not going to suggest the question should be reopened; I will certainly hear him, but I was going to say that in my opinion there is no prima facie case of privilege.

I might say, in a more general way, that at times there seems to be a misconception about what is a question of privilege and what is a point of order. In many instances the words complained of really should not be complained of on a question of privilege but rather on a point of order, on the basis that the words used are unparliamentary and against the rules and therefore there is a point of order. I realize that in some instances words may be used which are so strong as to impugn the very honour and integrity of the individual member against whom the words are directed. In this case I do not believe the word is so strong as to impugn the honour of the hon. member for Edmonton-Strathcona, and for this reason I judge there is no question of privilege.

Mr. Nugent: Your Honour has ruled on the word "spurious", but I had a second matter upon which I would ask for your ruling. Perhaps I did not phrase it quite correctly; nevertheless the total effect of the words referred to must be considered. The difficulty here, sir, is that even sitting in the house, although I objected to some words as they were used, in the heat of debate with the points you are trying to make or to clarify for the minister to be considered, it is not possible to get the general effect of all these remarks or their cumulative effect. I submit therefore it is a proper question of privilege to bring up as soon as possible, as I have done, the entire series of remarks.

I used the word "spurious" as the basis for the first question of privilege because that is the word which caught my attention when I looked at *Hansard* and caused me to check the rest of it. The second point of privilege is based on the entire series of remarks which give the impression—and I believe it is not improper to recognize that the press has so considered these remarks—that the object of this exercise was merely to frustrate the business of the house. Although I objected at the time, these words taken together with the reaction in the press across the country seem to indicate that this was less than a serious charge, that the matter was not serious.

I should like to bring to your attention, Mr. Speaker, and the attention of the house, so we may consider exactly how serious the charge is, the evidence which shows that the change was neither minor nor inconsequential because in effect it deprived the committee of complete information on the question of manpower. I think, sir, it must be borne in mind that I rose in my place to take my full responsibility and to make objection.

I suggest, Mr. Speaker, that since the minister is still sitting in the house with this question hanging over his head, and having turned down the chance last night to have the house give unanimous consent to revert to the question so he could clear his name, Your Honour should take a broad look at the rules in order that members of this house

should not be asked to sit with a member who has had such serious charges made against him, and who had the opportunity last night of having them investigated but did not take that opportunity. These charges are still hanging over him, and this would be another opportunity to have these charges dealt with. My motion is substantially the same as my motion yesterday except that I have added that the committee should also decide whether my charges were spurious.

I would ask Your Honour to take a very broad look at the rules in this regard. This is another question of privilege that Your Honour has to consider, and it arises as soon as the member involved comes into the house. Here is a member against whom very serious charges have been made in connection with a breach of privilege, which charges have not been dealt with. He himself did not give consent to have them dealt with and under those circumstances the members of this house should not have to sit with a member who refuses to have his name cleared.

I suggest, Mr. Speaker, that if he is guilty as I allege we should not have to sit with him. If he does not want his name cleared he should not sit in this chamber. Therefore I would ask Your Honour to rule on my point of privilege that the sequence of the statements made in this house yesterday is of such a nature that the imputations against me contained therein can only be cleared by a full and complete investigation before the privileges and elections committee. I would further ask you to consider the fact that the minister can only clear his name by a full and complete investigation before that committee.

Finally I would ask the Chair to consider the position of the members of this house and whether a man can breach the privileges of the house, refuse to have an investigation to clear his name and still ask us to sit with him.

Mr. Speaker: The hon. member says he has a new question of privilege; I gather this is the purport of his assertion now. If he has not, obviously there has already been a ruling on the other question of privilege, so I assume that he is asking for another ruling from the Chair on the basis of a new question of privilege.

Mr. Nugent: For a second interpretation, sir.

[Mr. Nugent.]

Mr. Speaker: The hon. member says he wants a second interpretation of the same question of privilege, but I do not think the rules contemplate this alternative possibility.

I have read the standing orders, the rules and the precedents but I have certainly never seen, and I very much doubt whether the hon. member for Edmonton-Strathcona could bring for the assistance of the Speaker in ruling in this particular instance, a precedent which would justify his suggestion that a new interpretation of the same question should get a second ruling.

The hon. member brought up a question of which he gave me notice, according to the rules, and this is the only matter I have before me. This question of privilege referred specifically to the use of a particular word. I have made a ruling on this question.

The hon. member says that other words were used, and that I should rule on those. The hon. member knows that the time to raise this question was yesterday, not today. The reason a discussion is allowed at this time on the use of this particular word is that the hon. member said that he himself had misunderstood the word when it was used. He thought the word was "curious", but on reading *Hansard* he saw that it was "spurious". There is no suggestion that he did not understand the meaning or purport of the other words of which he now complains. I suggest to him that when the words were spoken would have been the time to object.

With all due respect to the hon. member, he did raise the point yesterday that he thought the minister should not impute motives; and I fully agree that one of the basic principles of debate is that there should be no imputation of motives. In any event, the minister said a moment ago that he did not intend to impute motives.

• (3:00 p.m.)

For all these reasons I cannot judge that the hon. member has a new question of privilege on which a new ruling should be required from the Chair. We had a question yesterday on which I made a ruling, and a second question brought up today of which the hon. member gave me notice in writing, according to the rules, and on which I have given my opinion and made my ruling. I am sorry to say to the hon. member that I do not judge that there is a third question of privilege at this time.

Mr. Nugent: Mr. Speaker, you have not given a ruling on the question of whether the Minister of National Defence is entitled to sit in this house under the present circumstances.

Mr. Speaker: Please. This is not the question of privilege; the hon. member is making a point of debate. He is making a specific suggestion now which he knows can only be presented by certain methods which are in accordance with the rules. The hon. member cannot ask the Chair whether he, an hon. member for any other riding in Canada or any member of the cabinet has the right to sit in the house. Only members of parliament can decide that. Certainly the Chair cannot.

Mr. Nugent: Mr. Speaker, that is a question of privilege which I think is valid. I could not give you notice of it because this question does not arise until the minister takes his seat in the house. Therefore no written notice was required. This is a question of privilege, I submit, involving every member in this house. It is our business to suggest to individuals in this chamber under what conditions they shall sit in it, and what behaviour they must observe in order to have the right to sit here. I suggest it is contempt of parliament for the minister, in view of these serious charges, to be permitted—

Mr. Speaker: Order, please. The hon. member is repeating now for the second or third time a statement he has made before, but he knows what the rules are. The only way he can bring up this type of question, if it is a question of privilege, is under the proper circumstances. There has been a ruling that it has not been done under the proper circumstances.

If the hon. member feels that some type of action should be taken by the house, he knows that this has to be done by motion. Certainly no hon. member can rise in this house and say "I do not think the hon. member for such and such a constituency has any right to sit here", thinking he can initiate a debate in this way. There are rules to be followed, and the hon. member cannot do this unless he does it in the proper way. The motion the hon. member may have in mind is a substantive motion which has to be moved with notice given in the proper way.

Mr. Nugent: May I give notice, Mr. Speaker, that I shall be moving a motion?

Mr. Speaker: Of course it has to be written notice, according to the rules.

Inquiries of the Ministry

GRAIN

REQUEST FOR INCREASES IN INITIAL PAYMENTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the appropriate minister I direct this question to the Prime Minister. Will the government of Canada not give consideration to raising the initial payment for the 1966-67 crop year by 25 cents per bushel on wheat, 14 cents per bushel on barley and 10 cents a bushel on oats?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think the minister responsible, the Minister of Finance, dealt with this matter a day or two ago when he said the matter was under consideration.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Now that the request of the opposition has received the approbation of recent events, does the government not feel that the time is here for it to announce these increases so the farmers will not suffer by reason of the accelerating cost of living, cost of machinery and the like? Is there no answer?

Mr. Pearson: Mr. Speaker, I said the matter was under consideration. We will do our best to see that the farmers do not suffer.

Mr. Diefenbaker: For 47 years health insurance was under consideration, too.

AGRICULTURE

CHURCHILL, MAN.—REQUEST FOR GREATER USE OF ELEVATOR STORAGE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Agriculture and ask if he has received any representations from the secretary of the Hudson Bay Route Association to the effect that the Churchill terminal elevator is to remain almost empty this winter as it did last winter. Has the minister heard the contention of the secretary that there is adequate grain within a radius of 700 miles, as well as adequate numbers of box cars, to fill this elevator for the coming winter? Also may I ask the minister whether any action is being taken to see that full and complete use is made of the storage and handling facilities of the Churchill terminal elevator during this coming winter and spring.

Inquiries of the Ministry

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have received no communication in this regard, to my knowledge. It may be that the Minister of Transport, under whose jurisdiction the elevators come, has received some communication.

Mr. Douglas: A supplementary question, Mr. Speaker. May I ask the Minister of Transport if it is correct that the Churchill terminal elevator is likely to remain empty this winter. If so, are any steps being taken to see to it that full use is made of the terminal facilities at Churchill?

Hon. J. W. Pickersgill (Minister of Transport): I hope, sir, that the terminal elevator at Churchill will not be empty during this winter. I am taking the most active steps I am capable of to persuade the wheat board to fill it.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the fact that the elevator was empty for most of last winter, can the minister assure the house that his steps will be more effective this year than last year?

Mr. Pickersgill: I cannot assure the house of that. All I can assure the house is that I will do my best. I should add that last year the elevator was kept empty at the request both of the railways and the wheat board, because it was felt last year that more wheat could be exported more expeditiously if that was done. The harbours board agreed with the greatest reluctance to what was done last year. They have not agreed this year.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. What representations has the minister made? The explanation he has given is a novel one. What representations has he made, and what are the altered conditions this year that will assure that this elevator shall be used, rather than being ostracized as it was last winter by this government?

Mr. Pickersgill: Mr. Speaker, I can answer that question very easily because I happened to be talking to the executive vice president of the Canadian National about this matter less than two hours ago, when he was at the transport committee. Last year if box cars had been used to fill the elevator at Churchill they could not have been used to take the wheat to Vancouver where it was urgently needed. This year there are box cars available to fill the elevator in Churchill. The Canadian National is very anxious to use box cars for that purpose. I hope the wheat board will be equally anxious to have the elevator filled.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. I would ask the minister whether any thought has been given by the government to fully automating our ports for the unloading of grain from box cars to ships, as it is done in the United States, so that we can speed up the use of these box cars.

Mr. Pickersgill: A study is being made of this matter at the present time, and I hope we shall do an even better job than the United States authorities have done. I am fully conscious of the importance of modernizing our facilities for the handling of wheat. They are not adequate for the kind of crops we are now getting. This is one of the most pressing problems in this country, and the government is giving the most urgent consideration to it.

Mr. Woolliams: Thank you very much.

[*Translation*]

BROADCASTING

RESIGNATION OF OFFICIAL OF BOARD OF GOVERNORS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister.

He seems in fine fettle following the week-end conference where the matter of bilingualism and bi-ethnic groups in Canada was discussed.

Has the Prime Minister been informed of what *Le Devoir* calls a "resounding resignation from the B.B.G.", that is the Board of Broadcast Governors? It is the resignation of Mr. Frédéric Côté who is accusing the federal body of being intellectually dishonest and taking an anti-French Canadian attitude.

Mr. Speaker: Order. The hon. member knows that he cannot read the news report while asking his question.

Mr. Caouette: Mr. Speaker, here is my question. Has the Prime Minister been informed of that resignation and would he undertake to check the accuracy of the charges made by a former employee of the Board of Broadcast Governors?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I was made aware by the Secretary of State, who is looking into the matter.

IMMIGRATION

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the remarks he made earlier this week in this city regarding the removal of the discriminatory aspects of our current immigration laws, and the indication that sponsorship rights were to be available to all immigrants entering Canada, may I ask the minister when this house can expect to receive the white paper on immigration?

Hon. Jean Marchand (Minister of Manpower and Immigration): Tomorrow, Mr. Speaker.

Hon. Michael Starr (Ontario): I had intended to ask a similar question in connection with immigration. In view of the minister's remarks made last Saturday at a meeting in Toronto, remarks which brought forth strong protests, may I ask whether what is contained in this white paper will coincide with the statements the hon. gentleman has made?

Mr. Marchand: Neither in Toronto nor here in Ottawa did I reveal what is contained in the white paper. As a matter of fact I did not say more outside than I have said here in the house. For the rest, I think the hon. member can wait until tomorrow and check for himself.

Hon. George Hees (Northumberland): I should like to ask the minister whether as reported in the press this morning he discussed in detail the contents of this white paper which he intends to table in the house tomorrow.

Mr. Marchand: I never discussed the white paper in detail.

Mr. Hees: Then I take it that newspaper reports to the effect that this was discussed at the annual meeting of the Liberal party yesterday are completely wrong?

Mr. Marchand: My answer to that would be that I have discussed these matters in general terms; I merely repeated at the convention what I had already said here in the house concerning discrimination and sponsorship.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—REQUEST FOR COMMITTEE CONSIDERATION OF LEGISLATION

On the orders of the day:

Mr. W. M. Howe (Wellington-Huron): I have a question for the Minister of National Health and Welfare. In view of the fact that the government has changed its plan to have medicare instituted by January, 1967, and postponed the date to January, 1968, will the government give consideration to referring this matter to a committee of the house in order that all those who are vitally interested may have an opportunity to be heard?

Hon. A. J. MacEachen (Minister of National Health and Welfare): It is not the intention of the government to send the medical care bill to a committee for study. It is a very short bill and it speaks for itself. In my view it can properly be studied in committee of the whole.

Mr. Eric A. Winkler (Grey-Bruce): Inasmuch as the effective date for this legislation is to be 1968, I wonder whether the minister could tell us by what date we might expect legislation to provide increased payments for old age pensioners?

Mr. MacEachen: As I stated yesterday, we hope to bring in this legislation during the present session. The details of the legislation will be disclosed at that time.

Mr. Winkler: Does the minister not think this pension issue is more important than the medicare bill because of the revised date of application of the latter?

Mr. Speaker: Order. The question is argumentative.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put the following supplementary question.

Since the bill on medicare will not, in any case, be enforced before July 1968, would the minister not consider the advisability of studying in the first place an increase of old age pensions in Canada?

[*English*]

Mr. MacEachen: It is my hope to have the medical care bill disposed of by the house before introducing any other legislation.

Inquiries of the Ministry

FISHERIES

NOVA SCOTIA—REQUEST FOR BAIT SUBSIDY

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of Fisheries. In view of the fact that inshore fishermen of Nova Scotia generally are required to pay twice as much for their fish bait as are their counterparts in Newfoundland, would the hon. gentleman give consideration to the application of a bait subsidy in favour of Nova Scotia fishermen identical to the one paid in Newfoundland?

Hon. H. J. Robichaud (Minister of Fisheries): I am sure the hon. member is well aware that the bait assistance which is being provided in Newfoundland cannot be considered as a direct subsidy. It is a service provided to the fishermen of Newfoundland in accordance with the terms of union, or the terms which were put forward when Newfoundland joined confederation.

As far as Nova Scotia, New Brunswick, or any other maritime province is concerned, we at present have a bait subsidy policy with respect to the construction of bait storage facilities.

Mr. Crouse: In view of the fact that this bait subsidy which the minister has mentioned discriminates against fishermen in Nova Scotia, would the hon. gentleman not consider extending a similar subsidy to fishermen in our province?

Mr. Robichaud: There is no such discrimination. The subsidy applicable today has been applicable for a number of years, and conditions have not changed.

LABOUR CONDITIONS

MALTON, ONT.—LAY-OFFS AT DOUGLAS AIRCRAFT PLANT

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Minister of Manpower and Immigration and ask whether he has yet seen a telegram from the president of local 112 of the United Automobile Workers protesting against the lay-off of some 89 employees by Douglas Aircraft at Malton. In view of the suggestion that many of those laid off were engaged in an on the job training program, can the minister inform the house what steps he is taking to persuade the company to reinstate them immediately?

[Mr. MacEachen.]

Hon. Jean Marchand (Minister of Manpower and Immigration): I have received a telegram, and I hope to be in a position to make a complete report on this situation some time tomorrow.

COAL

NOVA SCOTIA—REQUEST FOR ANNOUNCEMENT OF POLICY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I have a question for the Prime Minister. In order to relieve anxiety among those of the public who are interested in and aware of the situation, would the right hon. gentleman now announce government policy with respect the Nova Scotia coal industry?

Right Hon. L. B. Pearson (Prime Minister): Not today, Mr. Speaker, but as soon as possible.

Mr. MacInnis (Cape Breton South): Again, I appeal to the Prime Minister. In order to relieve the anxiety which now exists, why does he not immediately release this policy? He has indicated that it is ready now for release. Why keep the miners and the people of Nova Scotia waiting?

Mr. Speaker: Order. The question has been answered by the Prime Minister. The hon. member for Cape Breton South may think the answer is not satisfactory but, as he knows, he cannot require a minister to answer. The second part of his question would appear to be argumentative.

Mr. MacInnis (Cape Breton South): A further supplementary, then. I ask the Prime Minister this. Has government policy been prepared now, ready for release later?

Mr. Pearson: The matter is under consideration, and as soon as that consideration is completed I will be as anxious as is the hon. gentleman to make public the views of the government in the house.

Mr. MacInnis (Cape Breton South): I ask the Prime Minister how he can equate that last statement with the information he gave me in the house yesterday as reported at page 8586 of *Hansard*, when he said:

> I am sure my hon. friend will be very happy about the policy when it is announced.

The only impression one can take from this answer is that the policy is ready but that the government will not release it.

Mr. Speaker: Order.

Inquiries of the Ministry

CAPITAL PUNISHMENT

INQUIRY AS TO LEGISLATION RESPECTING ABOLITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In view of the uncertainty surrounding the infliction of the capital sentence, and bearing in mind the case brought to the attention of the house by the hon. member for York-Humber and the uncertainty which today exists in the minds of those who are awaiting execution, may I ask whether the government now intends to give consideration to the introduction of legislation for the abolition of capital punishment?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I thank the right hon. gentleman for giving me notice of his intention to raise this question. I also thank him for raising a very important subject. This matter has been under consideration by the government, and if it is proposed to amend or change the existing law an announcement will be made at the appropriate time and as soon as possible.

Mr. Fulton: In the meantime will the existing law be carried out?

Mr. Pennell: With respect, the law is being carried out.

Mr. Lambert: I beg to differ.

Mr. Diefenbaker: How many now, to the minister's knowledge, are there in jail awaiting execution?

Mr. Pennell: The right hon. gentleman will appreciate that I am speaking from memory, but I believe the figure is nine or ten.

HIGHWAY SAFETY

REQUEST FOR LEGISLATION RESPECTING SAFETY FEATURES ON AUTOMOBILES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is addressed to the Minister of Industry. I should like to ask him, since final studies were completed last week in Ottawa regarding a code for safety features in automobiles, is the government considering passing legislation in the form of a code for the public who purchase motor vehicles?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, consideration is being given to the introduction of legislation where appropriate and in fields in which the federal government has jurisdiction.

VETERANS AFFAIRS

REPORT ON PENSION COMMISSION—INCREASE IN DISABILITY PENSIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct to the Minister of Veterans Affairs a question of current concern to many veterans and their dependants in Canada at this time. Can the minister inform the house when he expects the report of Mr. Justice Wood on the organization of the Canadian Pension Commission will be tabled in the house, and when legislation will be introduced to provide for increases in war disability pensions and war veterans allowances?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, first I should like to thank the hon. member for advising me that he would raise this matter today. With regard to the first part of the question, I think all of us are grateful for the fact that the evidence before and interest in the Wood inquiry has been such that it has taken many more months than many of us anticipated. I am not complaining about that. I think this shows that the matter is important. When the report is received we hope it will be of real value to us.

As to when this report may be received, I must say that it is still a question, although I hope to receive it within a month or so. I think the hon. member will appreciate that I will not press the chairman of this inquiry to rush his report. I am sure, as all hon. members who know him will be aware, that he will do so as quickly as possible.

Concerning the second part of the question, I hope at the first opportunity to present to the house a measure, which I anticipate will be by way of an estimate because we will deal with amendments to this act at a later date, dealing with war disability pensions and war veterans allowances. This I will do. The government has taken its decision on this and I would want to introduce it at the earliest possible moment.

While I am on my feet may I also deal with a question asked last Thursday by the right hon. Leader of the Opposition with regard to war veterans allowances. I should like to say to him that it is not my intention to recommend a change of principle in respect of the War Veterans' Allowance Act. There will, however, be some measures affecting the ceilings on income when I can bring to the house the amendments I have suggested.

I think the hon. member for Kootenay West also asked a question last Thursday, but I believe I already have given the answer. As soon as I have an opportunity I hope to introduce the adjustments to the war disability pensions, the war veterans allowances and ceilings on income. As the Prime Minister made clear, these are interim measures so far as disability pensions are concerned, and other measures will be coming in at a later date.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question, Mr. Speaker. In view of the fact that the minister suggests these will be temporary measures to raise the disability pensions and war veterans allowances through estimates and not through legislation, there will be no obstacle in the way of his making an announcement to the house before the estimates are brought in. I should like to ask the minister whether he can give us any idea what increase will be granted and when it is likely to be effective, because this is a matter about which members are receiving a great deal of correspondence. It would help the veterans if they knew when this is likely to take place and what the percentage is likely to be.

Mr. Teillet: I can answer one part of that question, Mr. Speaker, as to an effective date. The hope is that it will be September 1, 1966. I have had some preliminary discussions with other people in the house on this and it is the hope that we can bring this measure in as quickly as possible, with perhaps the opportunity for a more complete debate on the matter at some later date.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I have a supplementary question, Mr. Speaker. First I should like to say, if I may make this observation, that I am glad the minister is taking action, but I am disappointed with the suggestion made by him, if I understood him correctly, that the veterans 69 years of age and over who become qualified for the old age pension will have their war veterans allowance reduced. I ask the minister, will he not give real consideration to this matter? A grave injustice is being done. I am not blaming this on the government, but I am saying a grave injustice is being done to the veterans who today are in the latter part of their lives and find themselves unable to carry on with the reduced amount of their war veterans allowance.

[Mr. Teillet.]

Mr. Teillet: Mr. Speaker, I do not know whether I can interpret that as a question, but I have indicated we have no intention, or I have no intention, of recommending to the government that the principle of the War Veterans' Allowance Act be changed. I did indicate, however, that I would be bringing in a recommendation respecting an adjustment of the ceiling on income for war veterans allowance recipients which in some measure will meet the request; but I am not at all inclined to recommend a change to the principle of the act.

Mr. Diefenbaker: It is pretty hard on the old soldiers.

Mr. G. L. Chatterton (Esquimalt-Saanich): I have a supplementary question, Mr. Speaker. Could the minister tell us when he expects to introduce amendments to the Pension Act other than in respect of pension rates, which were promised in 1964.

Mr. Teillet: Mr. Speaker, as I indicated a moment age, I think it would be foolhardy for me to indicate a date, because I think I should wait for the report of the Wood committee which may well recommend far reaching amendments to the Canadian pension commission act. I think it would be wise for me to wait until I have that report before I indicate what the legislation will be and when I can bring it in.

TRANSPORT

REPORTED SHORTAGE OF RAILWAY CARS FOR LIVESTOCK

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, my question is for the Minister of Transport. Is he aware of a severe livestock railway car shortage which is building up in the prairies, and will he take action to see that conditions are not repeated such as existed last fall, when livestock began to move and there were no railway cars to move them?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. member was courteous enough to indicate that he was going to ask this question. This gave me an opportunity to consult with the management of the Canadian National Railways. They are aware that in the last few days a shortage has been developing, and they are taking the most urgent action to meet the problem.

(*Translation*)

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—REQUEST FOR REMOVAL OF TOLLS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question to the Minister of Transport.

In view of the fact that Jacques Cartier bridge is under repair at present, as well as the approaches to Victoria bridge, and that heavy traffic is prohibited in the Lafontaine tunnel and considering that a telegram has been sent to the minister and a few members of this house by the Quebec or Eastern Canada Trucking Association, would it be possible for the government, as requested by that association, to abolish tolls on Champlain bridge, at least temporarily or until the situation is corrected next spring?

Mr. Speaker: I doubt very much that this type of question should be accepted in the circumstances. If the minister wishes to reply, I shall allow him to do so through courtesy for the member for Mégantic.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I very much regret, and I am sure everyone who has used the bridge regrets it even more, that there is serious congestion on the Jacques Cartier bridge because of the paving that is being done at the present time. Every effort is being made to see that the paving is done only on one lane at a time. The work is progressing from both ends, and I am very hopeful that this situation will be of a temporary nature. In the meantime the suggestion will be taken into consideration.

Mr. Langlois (Mégantic): I have a supplementary question, Mr. Speaker. Will the minister look into the situation and make some attempt to speed up the work being done and avoid construction on all bridges at the same time? This would alleviate some of this congestion.

POWER

COLUMBIA RIVER—REQUEST FOR FEDERAL ASSISTANCE IN DAM CONSTRUCTION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I intended to direct a question to the Minister of Finance. Perhaps in his absence his parliamentary secretary could deal with it or, under the circumstances, perhaps the right hon. Prime Minister will answer it.

Yesterday the Minister of Finance, in correcting an answer given previously by the Prime Minister as to whether there had been a request from the premier of British Columbia for assistance in the financing of Columbia river dams told us that there was a letter from Premier Bennett to him and that he had replied. Will the government consider tabling copies of that correspondence immediately?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I stated, no such request has been received by me. As the Minister of Finance said, the matter was raised at a recent conference and is being considered by the Department of Finance preparatory to its submission to the cabinet for consideration. Until that time I do not wish to add to what already has been said.

Mr. Fulton: Perhaps the Prime Minister misunderstood me, Mr. Speaker. I was not asking him to further disclose the government's intentions, but merely, in view of the importance of this matter, to table the correspondence so the house might be better informed.

Mr. Pearson: I have no objection to doing so, but I should like to consult with the minister to see in exactly what form the request was made by the premier. Having done so I will make a report to the house.

Mr. Fulton: Mr. Speaker, the Minister of Finance referred to a letter from the premier of British Columbia which he said had been acknowledged on September 23, so there appears to have been correspondence.

Mr. Pearson: I should like to ascertain whether the correspondence was labelled personal, private or confidential and whether there were items referred to other than the particular matter in question.

NATIONAL PARKS

CAPE BRETON HIGHLANDS—WINTER WORKS PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I intended to pose a question to the minister in charge of Canada's

national parks, but in view of the fact that he is away on business perhaps I should direct it to the acting minister. Would the acting minister be so kind as to advise us whether there will be a winter works program at the Cape Breton Highlands national park? If so, how soon will it commence? My question is prompted by an urgent communication from a parish priest in that area who says that 50 families are now on welfare.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, under the circumstances I will take this question as notice and either reply later or ask the minister to reply.

HOUSE OF COMMONS

ACTION FOLLOWING REPORT OF COMMITTEE ON ELECTION EXPENSES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister. Can he now tell us, after the cabinet discussions which he anticipated yesterday, what action the government proposes in regard to the report of the committee on election expenses?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that matter is under consideration by the government. We were discussing it this morning and I hope that by the beginning of next week a statement can be made as to what action might be taken.

Mr. Brewin: I have a supplementary question, Mr. Speaker. Will the government consider embodying the recommendations in draft legislation and then submit it to the committee on privileges and elections in order that we can expedite this action before the next election?

Mr. Pearson: I will be glad to look into that particular suggestion.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Prime Minister.

Has the Prime Minister received from the Quebec government an invitation to take part in the proceedings of a royal commission established by the Quebec government to consider the question of Quebec boundaries, and more especially the James Bay and Hudson Bay islands bordering on the province of Quebec, and also the national parks in Quebec?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): I do not recall receiving any such communication, Mr. Speaker, but I will check into the matter at once.

INDUSTRY

EXCESS OF IMPORTS OVER EXPORTS UNDER AUTOMOBILE AGREEMENT

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I direct my question to the Minister of Industry. In view of the fact that at the close of the first year of operation of the Canada-U.S. car treaty the imports of cars, trucks and parts into Canada from the United States had exceeded our exports by the alarming figure of $726 million, will the minister advise the house what steps he proposes to take to stop this dangerous trend which is so adversely affecting our imbalance of trade?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I did not catch the figure mentioned by the hon. gentleman, but I think perhaps he is referring to the excess of imports in the calendar year 1965, which was something in the order of $770 million.

I have some figures here which indicate that in the first six or seven months of this year this imbalance was substantially reduced. Not only was the rate of imbalance reduced, but in the month of July the net import balance was only $15 million. I do not suggest that we can anticipate a deficit of only $90 million for the remainder of the year, but this does show a trend in the right direction which had particularly spectacular results in the month of July.

Mr. Hales: The minister said he did not hear the figure I mentioned. That figure was $726 million.

Mr. G. W. Baldwin (Peace River): I have a supplementary question. Bearing in mind the circumstances, the dislocation of employment and the changes in the prices of automobiles, can the minister say whether the government is satisfied with the operation of this Canada-U.S. automotive treaty?

Mr. Speaker: Order, please. I suggest to the hon. member that his question is not in order.

POSTAL SERVICE

EASTERN ARCTIC—REPORTED NEED FOR IMPROVEMENT

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Postmaster General. In view of the suggestion disclosed in the report of the advisory committee on the development of government in the Northwest Territory concerning the inadequacy of mail services in the eastern Arctic, has the minister directed that an inquiry be made in respect of this matter of urgency?

Hon. Jean-Pierre Côté (Postmaster General): Even though we have the best postal service in the world, my department is always trying to improve it in every area of the country. I must say that the eastern Arctic is a very special and difficult area, but I can assure the hon. member that it is under intensive study.

BROADCASTING

INTRODUCTION OF LEGISLATION BASED ON WHITE PAPER

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Secretary of State. Can that hon. lady inform the house whether during this fall session of parliament the government is going to bring in legislation based upon the white paper on broadcasting?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I think it is more likely that the government will be prepared to refer the white paper to the broadcasting committee as soon as unanimous consent is given.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO EXTENSION OF EXERCISE OF CLEMENCY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question I should like to address to the right hon. Prime Minister, and it relates to the fact that the government is now exercising the tender quality of mercy in cases where no recommendation has been made to that effect. Is the tender virtue of mercy being restricted to blood criminals or will the cabinet exercise mercy in the case of those gentlemen who were associated with the strikes at Lenkurt, a firm in Vancouver, and Tilco Plastics Limited of Peterborough, Ontario, who have been sentenced because of convictions for contempt of court? Is the tender quality of mercy being restricted to certain classes of criminals?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we will do our best to discharge our responsibilities under the law.

Mr. Starr: What is the law?

IMMIGRATION

TEMPORARY HARVEST WORKERS REMAINING IN CANADA

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In view of numerous requests I have received with regard to workers entering Canada this summer from Jamaica to aid in harvesting operations and remaining in Canada, can the minister state whether in the original agreement it is requisite that they return to Jamaica after the designated work period or will the Department of Immigration receive individual representations to remain in Canada or to return to Canada in the near future and remain in this country as workers?

Mr. Speaker: Order, please. I am not too sure that this question is very urgent. I would not think it is. If the hon. gentleman thinks I am wrong, he may want to discuss the matter in the adjournment debate.

Mr. Danforth: Ten o'clock, Mr. Speaker.

TRANSPORT

DORION, QUE.—INVESTIGATION INTO LEVEL CROSSING ACCIDENT

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I want to address a question to a very clever minister, the Minister of Transport.

Some hon. Members: Oh, oh.

Mr. Choquette: Can the minister inform the house what steps the commission inquiring into the Dorion accident plans to take to notify all persons who may wish to appear and express grievances or suggest appropriate solutions?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am not clever enough

to answer that question without advice, but I am going to get advice from the Board of Transport Commissioners and will endeavour to answer the question tomorrow.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to ask the minister a supplementary question. Can the minister now inform the house whether in the past the appropriate authorities have made representations to the Board of Transport Commissioners for overpass or underpass facilities at this crossing?

Mr. Pickersgill: No, Mr. Speaker, but I will be glad to make inquiries on that point.

POST OFFICE DEPARTMENT

MONTREAL—REPORTED THEFT OF MAIL FROM AIRPORT

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is directed to the Postmaster General. Can the minister advise the house whether he has any details in connection with the reported theft of 15 bags of mail today from the mailroom of the Montreal international airport involving an estimated $1 million?

Mr. Speaker: Order, please. I wonder whether this is the type of incident about which a question should be asked at this time. I suggest to the hon. member that, the deed having been done, perhaps the question should not be asked at this time. If the hon. member thinks there is an aspect of urgency in his question I would suggest that it be discussed in the adjournment debate.

Mr. Langlois (Chicoutimi): On a point of order, Mr. Speaker, that question would have been very urgent yesterday.

Mr. Grafftey: Explain.

GRAIN

REQUEST FOR INCREASED SHIPMENTS THROUGH CHURCHILL

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that we now have on record some measure of support from the Vancouver area for increased shipments through the port of Churchill, would the minister take the appropriate steps to encourage his colleagues from the lakehead and Montreal areas to give the same support to increased shipments from Churchill?

[Mr. Pickersgill.]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am sure I have the support of my colleagues from every part of Canada to do everything it is possible to do to facilitate the export of the maximum quantity of wheat from this country, and as much from Churchill as it is possible to put through that port.

Mr. Simpson: A supplementary question, Mr. Speaker. Is the minister aware that several statements have been made recently by the shipping authorities in Montreal to the effect that everything possible will be done to see that Churchill shipments are not increased?

Mr. Pickersgill: I will consider the hon. gentleman's representation, Mr. Speaker.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved the second reading of Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

He said: Mr. Speaker, I am pleased to move second reading of this bill. In the interim since this bill was presented for second reading members will have had an opportunity to study its provisions carefully and, I am sure, constructively. The medical care bill is a short but significant piece of legislation. It has only nine clauses and in this respect is identical with the Hospital Insurance and Diagnostic Services Act passed by this parliament in 1956. I mention this parallel simply to show that good things may come in small packages, for surely we have all lived very happily with our hospital insurance legislation and I doubt that any member of the house would want to see it dismantled.

There are a number of other parallels between the bill we are considering today and the hospital insurance legislation—in the definition of "resident" and "population", for example. Similarly, both statutes require that insured services be provided under uniform terms and conditions to all residents of the province. Again, a similarity will be found in the provision relating to waiting periods for benefits. Although the approach in the statutes differs, the effect is to limit these to three months.

It will be recalled that in my statement introducing the resolution I outlined briefly the manner in which changing times and conditions were reflected in the varying methods by which federal assistance has been made over the years to provincial programs in the health field. I showed the changing patterns reflected in such programs as the health grants, hospital insurance and that set out in the present bill.

Members will also recall that I discussed the four principles which had been put to the provinces last year by the Prime Minister (Mr. Pearson) when he described the federal proposal in relation to medical care programs. These four principles, it will be noted, have been incorporated in the present bill. I would particularly draw the attention of members to the added flexibility which has been incorporated in the principles concerning universal coverage and public administration. This has been done without eroding the purpose for which these principles were set out.

The question of universal coverage is one which may raise some problem only in provinces choosing to finance the provincial share of costs through a premium system, as I pointed out in my introductory remarks during the debate on the resolution. During discussions with my colleagues, the provincial ministers of health, certain questions were raised about possible difficulties which provinces using premiums might have achieving optimum coverage in the initial period. For this reason, a more flexible approach has been built into the legislation. It provides that in the initial stages of the program a plan will be considered to be universal if the number of residents covered by a provincial plan are not less than 90 per cent of all insurable residents of the province. This percentage would apply for the first two years, after which the percentage would be expected to reach 95 per cent.

Other questions raised by provincial governments related to the principle of public administration of the program. Here, too, it will be noted that flexibility has been built into the bill. The bill requires that a provincial plan must be:

• (3:50 p.m.)

—administered and operated on a non-profit basis by a public authority appointed or designated by the government of the province . . . that is responsible in respect of the administration and operation of the plan to the government of a province for such purpose, and that is subject, in respect of its accounts and financial transactions, to audit by such person as is charged by law with the audit of the accounts of the province.

The bill also makes provision for circumstances in which the province may authorize an agency, such as an insurance carrier, to carry out certain responsibilities on behalf of the provincial government, provided, of course, that the principles relating to public administration, including the non-profit principle, are adhered to. Where such carriers are appointed as agents by the provincial authority, then the carrier may be empowered to receive premiums from subscribers, but such premiums must be remitted by the carrier to the provincial authority.

Similarly, the carrier may be empowered to receive accounts with respect to insured services from doctors or from patients, but in these circumstances these accounts must also be passed on to the provincial authority. The assessment and the approval for payments of such accounts remain the responsibility of the provincial authority.

As in the case of hospital insurance, it is probable that different provinces will administer their public medical care programs in different ways, depending upon their own philosophy and particular circumstances. The federal law has been drawn up in such a way as to make such differences possible while at the same time ensuring the ready availability to all residents of all provinces of medical care services administered without charge by a body directly answerable to the provincial legislature. Thus, the responsibilities of the provincial authority in relation to administration are set out in the bill.

Members will have noted that the bill describes insured services as meaning "all services rendered by medical practitioners that are medically required". This provision carries out another basic principle enunciated by the Prime Minister when he originally annouced the government's medical care proposals. I would like to restate the position taken at that time by the Prime Minister with regard to the scope of benefits.

He said that the federal government's contribution initially would be based on the costs of physicians' services. He said that there would be nothing to prevent provinces providing additional benefits, either at first or later, and he agreed, and I quote his words as follows:

—if there is a consensus on the timing of further stages, the federal government will consider enlarging appropriately, and in due course, the scope of the services to which it contributes.

It was with the cost of physicians' services in mind that the section in the bill dealing

with the calculation of the federal contribution was drawn up. This federal contribution will be equal to 50 per cent of the national per capita cost of insured services incurred by the province for the year, multiplied by the average for the year of the number of insured persons; this number is calculated along the same lines as that for which provision is made in the Hospital Insurance and Diagnostic Services Act. In the present bill the methods for the calculation of the per capita cost, of the number of insured persons, and of the cost incurred by the province, are described.

As members are aware, preliminary estimates of cost based on figures relating to the cost of physicians' services in all the provinces, and projected to the original commencement date of the program, were discussed with the provinces. The federal contribution amounting to one-half of the cost, which I placed before you during my statement introducing the debate on the resolution, was $340 million with respect to a full year based on projected figures obtained in September, 1965. A postponement in the date of commencement will, of course, affect that amount somewhat. But it should be emphasized that the federal contribution will remain one-half of the actual per capita cost, regardless of commencement date.

The bill also incorporates the fourth principle relating to portability from province to province of insured status. The method set out in the bill is substantially the same as that which is now in effect across the country in the hospital insurance programs. It ensures that persons who are temporarily absent from their home province will continue to benefit from the medical care plan provided through the home province, and it also requires that residents moving from one province to another shall continue to be so covered during any waiting periods.

As I pointed out in my opening remarks during the resolution debate, these basic provisions are of national concern and the principle involved has never been questioned at any time by any of the provincial health ministers.

Mr. Speaker, since this legislation was last before the house a decision has been taken to defer the starting date of medicare. I do not propose to go into the reasons for this change, the necessity for which I greatly regret, as do my colleagues in the government. The fact that this alteration in the starting date has no bearing on our commitment to the principle of medicare is demonstrated by the fact that we are introducing this bill for second reading today. The substance of the medical care program remains intact in the bill and the house will have an opportunity to confirm these principles in the adoption of the second reading of the bill. The decision to defer the starting date of medicare was based and continues to be based on the government's assessment of the situation as related to economic conditions in the country. If the government had to make the decision to day it would be the same decision, but we are determined to proceed not later than July 1, 1968.

As the government we have the responsibility to ensure that in 1968 the introduction of medicare will have top priority and to adapt all our plans and programs to that end. In the meantime the government will keep financial and economic conditions under close scrutiny, as it must in any event. Nothing will please the government more than to be able to proceed earlier than July 1, 1968. We do not feel now that we could and should advance the date, but there will be sufficient flexibility in the legislation to advance the date if future conditions make that possible. I will be moving in committee appropriate amendments to imbed this principle of flexibility in the legislation.

There is only one further comment I have to make and that is to express to members of the house my appreciation for the interest which has been shown in connection with this very significant program and to express the hope that we may see this law placed on the statute books as a further milestone on the road of progress in social security in our country.

Mr. Aiken: Mr. Speaker, I wonder if I may ask the minister a question? In reply to a question earlier today he stated that the government did not intend to send this bill to a standing committee of the house but wishes it to be dealt with in committee of the whole house where, as we all know, witnesses are not heard. Can the minister give the house any reason why the government has decided to take away the ability to call in witnesses and discuss the bill informally in a standing or special committee of the house?

Mr. Douglas: Is that not what the Hall Commission did?

• (4:00 p.m.)

Mr. MacEachen: Mr. Speaker, my hon. friend will appreciate that prior to the declaration of the Prime Minister with respect to this medical care program there had been a very exhaustive study made by the Hall commission into all aspects of health services in Canada, and all the relevant information is set out in that particular report. Since that declaration of principle by the Prime Minister last year, there has been a full opportunity for the provinces, for all the professions and for the public to express their views with regard to a medical care program. In the light of that the government concluded it would not be desirable or necessary to send this bill to a committee after second reading.

Mr. Aiken: May I ask a supplementary question, Mr. Speaker? Would the minister not agree that this house is not bound by a royal commission nor is the house interested in discussing and examining evidence of a royal commission? A specific bill is before us. Would the minister not agree that this is a case where the house should examine witnesses and, independent of the evidence given before any royal commission, hear evidence in the same manner as on the Canada Pension Plan? Granted this did not do very much good, but it was worth an argument.

Mr. MacEachen: The bill is a very short one. It sets out very clear principles and the house will be asked to accept those principles. The actual operation of the medical care programs will be undertaken by the provincial governments, and the actual techniques and relationships with the medical profession will be dealt with at the provincial level. In those circumstances I think it would be quite unnecessary to have a committee set up here.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I am very appreciative of the position in which the Minister of National Health and Welfare (Mr. MacEachen) finds himself today. He has been quartered and hung on the altar of political expediency by commuted sentence. I congratulate him on the clear and distinct way he has presented this bill. However, he gave no fundamental reason why it should not be passed now and put into effect on July 1, 1967. Why is this not being done? The answer has been that the reason is to curb inflation, but to me this appears to be a completely ridiculous reason.

The implementation of this program would involve an expenditure of only $80 million at the most, and only $40 million of that would come from the federal treasury. The reason for the delay has nothing to do with inflation. The bill would not come into effect until July 1, 1967 and the total expenditure would not be felt until the year 1968, so how could it affect inflation at the present time? Perhaps some of the taxes withheld from corporations and the increase in income tax revenues totalling over $300 million could have been used to finance this program.

According to a report in the *Globe and Mail*, the hon. member for Kingston (Mr. Benson) had this to say:

> Mr. Benson, who doubles as president of the government treasury board, pulled no punches in his short, direct speech.
>
> He told the workshop that he was not much interested in economic arguments as to the inflationary effect of medicare.

How about this, Mr. Sharp.

According to the same newspaper report, the hon. member for Eglinton (Mr. Sharp) told the convention that "we could not afford all these huge expenditures". But he assured them his July 1, 1968 date for medicare to go into operation was firm and that on this "there could be no compromise." Well, you have already compromised, not once but many times. He went on to say "Canada is going to have medicare, and it will be the Liberal party that will introduce it." But after two years perhaps we will be faced with the same problem again. Mr. Templeton, who contested the Ontario leadership, is quoted in this press report as follows:

> "said the conference must accept the government's decision or register non-confidence in the cabinet. He criticized the government for poor planning in making a commitment it could not keep and for not satisfactorily explaining the reason for the deferral.

There is a further question of whether or not this government did any homework on the bill. Was this plan deliberately held up? Was there sincerity in the government's approach to the premiers of the provinces or did the government deliberately lay down rules that they knew would be unacceptable because the government held the aces in the form of dollars? An editorial in the *Gazette* covers this question rather well, and I quote:

> Again this week at the Liberal party convention in Ottawa, the debate was resumed and was taken to the floor of the convention. More acrimonius words were thrown back and forth among the delegates on the question of the postponement of medicare.

But out of all this discussion, there are many Canadians who wonder what all the argument is about. The debate within the cabinet and without, has had a strange and hollow ring about it; a lack of realism.

The debate has had a hollow ring because it has concentrated almost entirely on the question of timing. And it has shown a lack of realism because there has been little talk of how such a medicare scheme will operate, or what type of service will result. The debate has been on the question of when, not on the more important issues of what, how and by whom.

What type of medicare scheme should we have in Canada? The subject has been brought up before in royal commission studies (the Hall commission), as well as several provincial investigations. In fact, most of the provinces either have some sort of medical care scheme in operation, or are planning to put one in operation. There is no shortage of suggestions, or lack of material to debate.

The question of how such a scheme should operate has far reaching consequences. Medicare is the first social welfare measure which raises problems in human relations between the citizen and his doctor, and between the government and the medical profession.

Finally, who is going to operate the plan? . . .

Canada is also in a vulnerable position to lose its highly trained medical personnel, particularly to the United States. And this country is already short of doctors. At the same time, there are insufficient hospitals to cope with the present load of medical service.

I should like to know what the government is doing about that. I continue the quotation:

In yet another area, medical research, the amount of money which the government puts into this vital sector of medical service is seriously inadequate. And these are only some of the gnawing issues surrounding the implementation of medicare.

The editorial concludes in this way:

It may be hoped that between now and July 1, 1968, there will be more discussion about the real issues which medicare raises, and less about the secondary ones; more about substance, and less about style.

I should like to ask the minister, what is going to become of roughly one-third of the people across Canada, those in the low income, low pension groups when they have to have medical care? It is true that in the province of Ontario they are covered by OMSIP. I feel that the Ontario minister of health should be congratulated on the very fine plan he has in operation. It covers the disabled, those on old age assistance, mothers' allowance and the blind. For example, a person with a taxable income of $500 or less has to pay $30 and the government pays $30. The complete cost for a family of two with a taxable income of $1,000 or less is $120, of which the government pays half, $60. The cost for a family of three or more is $150, of which the government pays $90 and the insured pays $60.

[Mr. Rynard.]

• (4:10 p.m.)

This is a step in the right direction. Ontario has its own plan but, I ask the minister, how about the people in the maritime provinces? How about the people in Newfoundland and the people in the provinces which have no plan to cover the needs of those with low incomes? Are they to be completely forgotten or sacrificed on the altar of expediency of this government?

There are always certain problems which arise when any plan comes into effect, so this would be an ideal opportunity to work out the kinks in this plan, by covering roughly one-third of the population. We should consult with the ministers of health and the provincial premiers so that when 1968 arrives we are ready to implement this plan and not have another stall.

I also think we have to keep in mind a few fundamentals. For example, we must keep in mind the meagre research that has been carried on in Canada as well as the scarcity of doctors and paramedical personnel. I remind you, Mr. Speaker, that it takes ten other paramedical services to supply the needs of each doctor in practice. This bill requires very careful thought, even though almost two years will elapse before it becomes law. It must be given the most complete scrutiny at this time in order to ensure a medicare bill which will work in the best interests of all the people before it is passed. It must also, of course, be acceptable to the provinces. There must be a common denominator and there must be agreement.

To do this successfully, I submit to the minister that certain conditions must be met. The most important are these: First of all, sufficient beds must be provided for our sick, those needing hospitalization, so that they can be looked after. There must be sufficient doctors and paramedical services provided. There must be sufficient medical schools to train our medical students. There must be sufficient highly skilled teachers and medical scientists in order to teach our students. Lastly, there must be adequate research, and salaries must be provided which will attract outside teachers from the United States and Great Britain, and hold the teacher-scientists that we need today.

Let us look at the hospital bed situation, Mr. Speaker. Again I want to remind the government that in 1957 the federal government contributed $1,000 a bed. In 1958 the Conservative government brought in a bill

which doubled this amount to $2,000. But may I remind the government that in 1966 it is still paying only $2,000 a bed.

In 1958 the cost of a hospital bed in the province of Ontario, and I believe pretty well across Canada, was around $8,000 to $10,000. At that time the government at the $2,000 level was paying about a quarter to a fifth of the cost of hospital beds across the country. Eight years later when the cost of a hospital bed is somewhere around $25,000 to $30,000 the federal government is still paying $2,000. In other words, it is paying about one tenth or one fifteenth of the cost.

In all conscience, Mr. Speaker, how in the world can the government sitting opposite bring in a bill like this when they will not even provide the things which are required to make the bill work satisfactorily? I tell them to pull their socks up before 1968 and pay their share. Let them pay one third of the cost. It should be a 3-way partnership with the provincial and municipal governments.

In case the minister requires any references, I direct his attention to a plea which was made at the Ontario Hospital Association meeting in Toronto for an equal three-way division of hospital construction costs. According to a brief submitted to Premier Robarts, between 1960 and 1965 the cost of building and renovating public hospitals in Ontario was $293 million. Of this figure local communities paid 59 per cent. So the poor taxpayer at the municipal level was shouldering more than half of the cost. The provincial government was paying 25.35 per cent, or roughly one quarter, and the federal grant was 14.85 per cent, which is pretty disappointing.

The brief of the association stated that it was not calling for total government financing. It went on to say:

> We believe very strongly, as do the majority of hospital boards, that a share of the building of a hospital should remain an obligation of the people of a community.

The brief went on to state that the federal government had not increased its basic $2,000 per bed grant since 1958 and made no contribution toward many essential supporting areas. Finally, the brief stated:

> Unless the federal government can be prevailed upon to step up its construction grants to a more realistic level, we have no alternative but to look to the provincial government for the additional support that is so urgently needed.

Beds are scarce and I wonder, Mr. Speaker, how many people in Canada are having more prolonged illness or even losing their lives today because we have insufficient hospital beds in Canada.

I should now like to dwell on another matter concerning the provision of doctors. It should be our duty to help the provinces provide doctors so that people will not lose their lives because of lack of medical care or insufficient doctors to treat emergency cases. Doctors in Canada today are grossly overworked, though they are doing the best they can. They are on the whole a dedicated profession, but everyone has a breaking point, no matter what his profession or business may be.

Our general practitioners are now serving upwards of 2,000 people each. I wonder how many people are aware of that. More doctors must be provided to teach in our medical schools, and if necessary classes should be held all summer in order to train students.

I should now like to deal with the Hall commission report. Canada has a population of roughly 20 million people and there are just over 19,000 doctors. It is interesting to note that some 9,000 of them are specialists or are engaged in administrative or other work. This leaves just over 10,000 doctors in general practice, acting as the workhorses of the communities, carrying on and healing and referring where necessary to other doctors.

I was interested to look up the statistics in the United States in this regard. There the number of doctors and this is all doctors per capita is one doctor to every 752 persons. In New Zealand there is one doctor for every 700 persons. In Russia there is one doctor for every 550 persons, and their target is one doctor for every 500 persons. This indicates just how badly off we are in our need for doctors. Not only must we have more doctors but we must train more. I will put on the record what the Hall commission report has to say about this situation.

• (4:20 p.m.)

However, Mr. Speaker, first of all I want to deal with Great Britain. Great Britain has good medical schools. Unfortunately, many of the doctors there are leaving the country. In one year—I am speaking of 1964 which was the worst year of all—1,200 doctors out of a graduating class of 1,600 left the shores of Great Britain. On the average Great Britain is losing about 600 doctors a year. I am citing these facts to emphasize what is happening in this country. We are today short of interns in Canada, with hospital after hospital having no interns. In Great Britain the drain has

become so bad that 45 per cent of all interns are from outside the country, and mostly from Asia or Africa.

The United States is far better off than we are, in medical manpower. Yet they have set up an examining board in London where doctors can take their examinations. Those doctors who wish to leave Great Britain after having passed the board's examination can go to the United States, and enter into practice there.

What are we doing about this situation? What is the government attempting to do? The Canadian Medical Association requires a doctor to fly here at his own expense, sit for his examination in Canada, and then go back. If the doctor qualifies he can come back again and enter practice. What in the world is wrong? I might ask in the light of this, why when we are so short of medical personnel. Surely we too can see that doctors who have been trained in Great Britain and who are thinking of leaving Great Britain should be allowed to try their examinations in London. I suggest to the minister that one of the things that must be done, to get doctors if this bill is to work, is to provide funds to the Canadian Medical Council so it can set up a board in London similar to that of the United States.

This brings up the next point. I refer to the building of medical schools, paramedical services, science research centres and so on. We are off target here. The Hall Commission report said in 1964 that we have to add a minimum of 476 students a year to our medical schools, but I wonder if the minister is aware of the number of new medical students who entered medical schools this year in Ontario? Is the minister aware of what is required? Is the minister aware that only 75 additional students are registered in the medical schools in Ontario? There are just 75 more students this year despite the fact that the Hall Commission report says that there must be an additional minimum each year of 476 students for Canada. This report, as I say, was public knowledge in 1964. Yet in the waning days of 1966 we find that in Ontario we have only 75 additional students, which, applied to the rest in Canada, would give us only half the required number. In addition, only one new medical school will be opened, at Sherbrooke, which will admit 25 students.

The Hall Commission report stated that by 1970 we must have 7,100 additional doctors. They must be added to the profession. We are not adding these numbers, nor have we any hope of so doing in the way we are conducting our affairs. Doctors, sir, are overworked almost to the breaking point. On a flight to Toronto I met a doctor. He is younger than I am, having graduated about 1935. As he is a friend of mine I said to him: "John, who is looking after your practice?" He had a big practice. He said to me: "I am quitting practice. I cannot take it anymore. People call me and I cannot refuse them, and physically I am unable to go, and if I stayed in practice I would probably break down." He said to me that he had come down to Ottawa to see about a government job.

This sort of thing is going on in many towns of Canada. Doctors are pulling out and quitting. I cite such things because doctors often say: "We cannot refuse people. We do not want the responsibility on our shoulders of somebody who ought to get immediate care dying, but we have to have some rest some time".

The people today are not receiving the best of medical care. Let us face that fact. That is not because there is not sufficient money but because we do not have the doctors to do the work. It is as simple as that. Canada faces a serious situation with respect to medical manpower.

You can build all the medical schools you like but unless you have scientifically trained teachers to teach the students you will not produce doctors. It will be of little avail to have students without teachers. How many teachers do we need? It is admitted that in the next five years we shall need 1,500 teacher scientists. We do not have that number in Canada. What is to happen? The Canadian Medical Association Journal, as quoted on page 7553 of *Hansard,* has this to say:

> If the teachers for the expansion of existing schools and the staffing of new medical schools are recruited from within Canada, a sort of academic musical chairs will occur in which the staffs of existing schools will be rapidly diluted, and, if the bidding is brisk, an unfortunate concentration of the best talent in a few centres may develop.

This sort of thing has been going on for quite a time. It has reached the point where four medical schools in Canada may lose their accreditation. This matter was dealt with by the Canadian Medical Association Journal in these terms, also as quoted on page 7553 of *Hansard:*

> It has been whispered about for a long time. Now it is in the open: one-third of Canada's medical schools, during the last ten years, have been warned that if they don't improve they may

lose their North American accreditation. This is a recognized method for judging the quality of medical schools, and loss of accreditation is a sad, bad blow . . .

The primary fault in the four schools was not with respect to their basic orientation or the quality of existing staff, but rather that they had insufficient staff and resources to meet the needs of modern medicine.

For a country such as Canada, which is one of the richest resource countries in the world, to have an article like that printed in the Medical Association Journal is something not far short of being a national disgrace.

The next question I wish to ask is: Where are we to get these teachers? I do not think we will get them from the United States, because while we spend $12 million in research the expenditure in the United States per capita is ten times as great. In other words, they do more research. We lose 200 doctors every year probably because of this. And it costs $50,000 to train a doctor, one does not have to be a mathematician to see that these doctors represent a gift of $10 million every year. Instead of giving that gift, why can we not spend more money in research to try to keep the doctors we have trained? The doctors who leave have an earning power of $100 million in their lifetime. In those circumstances, why should we spend only a niggardly $12 million on research? This is one of the frightening aspects of the problem, and it seems that the government has not woke up to the fact that we must spend money on research and must have research to attract teacher scientists.

It takes 8 years from the time he starts to train a doctor. It takes 11 years to train a specialist and 15 years to train a teacher. Where are we to get the teachers?

The teachers in Great Britain are of a high calibre. An effort to attract them from Great Britain might be made, although I do not believe in stealing their best teachers. Nevertheless, if they show a willingness to go to the United States I say we ought to put in a bid for them. We ought to have a Canadian Medical Council board sitting in London as the United States has. The United States has more scientists than we have; yet they do this.

• (4:30 p.m.)

I think one of the greatest fallacies in Canadian thinking is that we can steal the benefits of research and therefore we can let United States provide it for us. Nothing is farther from the truth. The benefits of research are not always transferrable. It must be understood, also that these benefits do not consist solely of new discoveries; there is the attraction which research has for scientifically-minded teachers and doctors. Our greatest difficulty now lies in obtaining the services of our own citizens, Canadians who have gone to the United States because of the meagreness of our own research facilities. I do not wish to state this as a fact, but I believe that last year the government provided funds for only 60 per cent of the research projects which were authorized.

I should like to put on record what a few of the provincial premiers feel about this situation. Mr. Stanfield said: "Ottawa must take a more flexible position on requirements for federal help." He feels his province is not able to carry the load which the federal government would imposed on it. It is for the less wealthy provinces I plead today, since the wealthier provinces are obviously in a better position to play their part.

Are the maritime provinces to be forgotten? Are they to be written off on grounds of expediency? I remind the Minister of National Health and Welfare that the help they need works out to between $10 million and $12 million, which would cover only a third of those in Canada who need help, and is therefore just about one-third of the amount which would otherwise be spent.

There are faults in this bill and I hope they will be corrected. Doctors are grossly overworked. We need more doctors as a matter of the greatest urgency. We are talking about a bill this afternoon which will not come into effect for two years. The measure is weak in other respects. What does the government intend to do about optometrists? Will they be paid? There are 1,500 of them across Canada and they are responsible for 70 per cent of visual care. There are only 300 certified ophthalmologists in Canada and these are mostly in the big centres. What will be done to serve those who live in the rural areas, people who do not have the opportunity to go to the big cities? Is the government thinking of them?

Most of this work will be done by optometrists. Many of these are men who have taken a specific four-year course of training laid down for them. These are individuals competent not only to undertake eye corrections but to know when cases should be referred to an ophthalmologist. I say these people should be covered. I could go on to deal with other points but I will not do so until the bill is discussed clause by clause.

Finally, I point out that in Canada today we have the services of just over 10,000 general practitioners to look after 20 million people. This cannot go on. More and more of them are wanting to get out because they cannot give the service they expected to be able to give. In Russia there is one doctor for every 550 people. In Israel there is one doctor for every 400 people.

Besides the field of treatment there is the field of preventive medicine. We need doctors badly in Canada. I think the situation should be examined. We are in a crisis. Where are we to get these doctors? I would say that the medical course should be shortened. This could be done in two ways. Either students could go to school and be taught the year round, as was done when the war was on in the forties, or some of the frills could be cut out of the course as laid down by the universities. If it is true, as most of the eminent authorities in the medical field say, that half of what we learn today has to be discarded in ten years time, would it not be better to send doctors back to medical school for six months every five or ten years than to follow the policy we are following today?

This is an urgent business and I do not think the government has sufficiently considered the urgency. In these circumstances I propose to move an amendment as follows:

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

This house, while of the opinion that provision should be made for medical services to be available to all Canadians at an adequate level on a prepaid basis, is nevertheless of the further opinion that no legislation for the provision of insured medical care services in Canada will be satisfactory unless it:

(a) secures co-operation of the governments of the provinces of Canada;

(b) recognizes the principle of voluntary choice by the individual;

(c) makes adequate prior provision for sufficient medical research, the training of adequate numbers of doctors and other medical personnel, and:

(d) immediately provides for those persons who are unable, for financial reasons, to provide medical services for themselves.

The Acting Speaker (Mr. Rinfret): This is a complex amendment and I should like to refer it to the Speaker for consideration. Meanwhile I will put it before the house on a provisional basis.

• (4:40 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the resolution preceding Bill C-227 came before the house on July 12, followed by the introduction and first reading of this bill, we expressed our great pleasure that this important piece of legislation was before parliament. I think it is fair to say that on that day the house itself was aware of the historic step we were taking and there was a very high hope that it would be followed by early action along the lines set out in the bill presented that day by the Minister of National Health and Welfare (Mr. MacEachen).

In contrast to the spirit of that day, I suggest that this is a very sad day in Canada's history. Indeed, Mr. Speaker, in a few minutes I shall give point by point my reasons for saying that this is a sad day in the history of this country. But I think no one demonstrated it more effectively than the Minister of National Health and Welfare by the manner in which he spoke today compared with the things he said and the way in which he spoke on July 12. Let me remind him of the second or third last paragraph of the speech he made when he introduced the resolution and asked us to give first reading to this bill. These are his words as found at page 7549 of *Hansard* for July 12, 1966:

The introduction of this resolution, Mr. Chairman, I believe marks an historic day for this parliament and for Canada. The program it spells out goes a long way toward closing the gap in our over-all social security system. It is our hope it will result in the commencement of provincial medical care plans covering all Canadians on the 100th birthday of Confederation, July 1, 1967. This would be a most appropriate way to mark our birthday, since it would ensure ready access to medical care to all of our people, regardless of means, of pre-existing conditions, of age, or other circumstances which may have barred such access in the past.

That was the high hope expressed by the Minister of National Health and Welfare on July 12, namely, that on our 100th birthday, July 1, 1967, we would have accomplished the taking of this historic step. Today, in a speech that was so timid and so half-hearted we could hardly hear it, he gave us a new word for what we normally call retreat. Today he told us that flexibility has been built into this legislation. Earlier today on another subject there was talk about words and their meanings and certain members had recourse to the dictionary. I suggest, however, that it is a strange effort on the part of the minister to try to turn the word "retreat" into the word "flexibility".

The minister told us, for example, that in July of 1965 the Prime Minister (Mr. Pearson), supported by the Minister of National Health and Welfare, laid down four cardinal principles upon which the government based

its stand, but now he tells us that with regard to two of those principles flexibility has been built into the legislation. He also tells us that the commitment made in 1965 and repeatedly in 1966 that medicare would come into effect on July 1, 1967, has been changed and that we are not going to get it until a year later.

The first example of flexibility relates, of course, to the principle of universality. I am going to say to the minister that I do not regard the change that is being made there as quite as serious as the other changes being made. Nevertheless, the Prime Minister on July 19 and 20, 1965, said that one of the cardinal principles was universal coverage. He did not say 90 per cent or 95 per cent; he said universal coverage. The minister says that the government has accepted the principle of universality but has built it into the legislation with some flexibility. Universality is to mean 90 per cent for the first two years and 95 per cent after that. I freely admit that in the light of our experience with hospitalization this is not as serious a change as some of the others, but it still is a retreat rather that what the minister likes to call it—the imparting of flexibility into the legislation.

A more serious way in which the minister has retreated has to do with what was the third of the Prime Minister's criteria of July, 1965, namely, that medicare would have to be carried in the provinces by the provinces themselves or by provincial agencies, but not by private insurance companies. Now we are given a bill which has in it a loophole a mile wide under which it is possible for private insurance companies to be designated by provincial governments to carry this medical care insurance program.

When I say that, Mr. Speaker, I am not just giving my own interpretation of the clause in the bill that makes this provision. The fact is that when the minister appeared before the health and welfare committee on July 14, a couple of days after the bill had been given first reading, I asked him in that committee whether it was possible under one of the clauses in the bill for private companies to come into the program and he made it clear that if a provincial government chose to give the carrying of the plan to insurance companies on a non-profit basis that would be in order under the provisions of this bill. The minister himself used the phrase "life insurance companies". He insisted, of course, that it would have to be on a non-profit basis. We had some interesting exchanges on that point. I suggest that this leads to all kinds of speculation as to what is profitable and non-profitable and to the possibility of insurance companies getting into this business on a loss-leader basis. I suggest the minister has no right to call this flexibility. It is downright retreat from the position the government took in July, 1965, when it announced that one of the four cardinal principles was that medicare must be carried by provincial governments or their agencies and not by private carriers.

In addition to the flexibility the minister talked about—the downright retreat—regarding universality and private carriers, we now have this business of the change of the effective date from July 1, 1967 to July 1, 1968. No matter how much the minister may try to make light of this and no matter how much the Liberal party may try to give the impression that it achieved some kind of unanimity on this at its recent convention, there has been a retreat from a very definite promise make by the government time and time again, and I am going to go into that in some detail in a moment or two.

Before I do go into that, however, I should like to remind the Minister of National Health and Welfare that he saw the possibility of this happening. In fact, he should have stood his ground last July and should have insisted that this bill be put through at that time. I suggest that if my friends to the right in the Progressive Conservative party complain very much—they have not done so yet—about the postponing of the legislation, part of the responsibility is theirs, because if they had been willing to take the bill through second reading to committee stage last July, as the minister wanted to do and as we wanted to do, it would have been on the statute books before the Minister of Finance (Mr. Sharp) got his hands on it as he did in September.

• (4:50 p.m.)

Mr. Woolliams: Do you not think it affects the cost of living

Mr. Knowles: I did not know the Minister of Finance was a ventriloquist. Those are the words of the Minister of Finance, yet they seem to be coming from the mouth of the hon. member for Bow River (Mr. Woolliams).

As a result of our difficulties last July when we were not able to proceed with this bill I put some questions to the Minister of

National Health and Welfare. This was during a meeting of the committee on health and welfare on July 14. We were discussing private carriers, universal coverage and so on. At that time I posed certain questions which appear at page 549 of the report of that committee. I asked the minister if he was going to stand by certain clauses in the bill the cost of living?

Mr. MacEachen: Well, of course. Here is the bill and you do not expect me to say today that I am going to change the bill that was produced yesterday.

Let me read further from this page:

Mr. Knowles: Now it has three or four months to be kicked around.
Mr. MacEachen: I know.

That was a very short, plaintive and prophetic reply. The minister knew on July 14 that he had been jockeyed out of his determination to proceed with the legislation at that time by the Conservatives and by the Minister of Public Works (Mr. McIlraith) and that something was bound to happen to it. It is no wonder that he has had a sad summer and fall and his sad experience of the last few days. He knew this kind of thing was going to happen, and it has happened in perhaps an even worse way than he anticipated, particularly in the hands of his colleague the Minister of Finance.

I suggest that the Minister of National Health and Welfare should go back over this whole story and realize that the mistakes which have been made can still be corrected by keeping the bill as it is. I do not know what will happen to the amendment moved by the hon. member for Simcoe East (Mr. Rynard), but I imagine it will be ruled out of order. If it is not, we will vote against it, for we do not want the bill postponed any further during the second reading stage. We want this bill to go through and we are prepared to vote for it, but when we vote for it we will be voting for it in its present form. I hope that if the Minister of National Health and Welfare and his colleagues vote for the bill they will be voting for it in its present form.

The minister said today that this is a simple bill with only nine clauses. I do not know whether there is anything in this business about numbers, but if he is going to change the date he will have to amend five clauses. One clause gives the title to the bill so there are really only eight clauses of substance and he will have to amend five of those eight. I suggest there is almost an element of hyprocrisy if the minister votes for this bill on second reading and then has the gall to stand up in the committee of the whole and change five of its eight effective clauses.

Mr. Baldwin: It is a spurious bill.

Mr. Knowles: We now have the full meaning of the word "spurious". We have been given various dictionary definitions but we have now an example of the real thing.

I said I wanted to spell out point by point my contention that this is a sad day in the history of Canada. I am going to identify the three main reasons and then refer to them in greater detail. This is a sad day, first, because we have before us today an open betrayal of the pledged word of the government of this country. Second, this is a sad day because the action of the government in proposing the postponement of medicare for a year is a discrimination against the needs of the people in this country, particularly their medical needs, and I refer particularly to those people who cannot afford the medical care they require. I submit that to treat the people of this country in this way is a shocking denial for which this parliament should not stand.

In the third place, this is a sad day for Canada because this kind of action on the part of the government of the day is a reflection on politics, on parliament and on democracy itself. We over here can stand and say that we are opposed to what is being done, but even those on the opposition side of the house are subject to the criticism of the people in respect of what the minister has done. People are asking if this is what politics is all about and if this is what parliament is doing. We have been promised for years and decades that something would be done. These were solemn promises but apparently they can be thrown out the window when one or two strong men in a cabinet decide there must be a change.

Those are my three main reasons, and I will come back to them, but I suppose there is a fourth point to note. Perhaps it is not so sad but it should be noted. What this whole chapter is doing, along with a few other things, is exploding finally and for all time the myth that the Liberal party is a party of progress. The people of Canada have been fed that line for the last half century or more.

Someone said the other night on television that following the Liberal party convention the party was now stronger and more democratic, but so far as its decisions on policy are

concerned it is now at dead centre. I think that was said by Peter Newman. I believe those words are twisted and that they should be "it is now at centre, dead". Peter Newman continued by saying that the party is now at dead centre with no motivating philosophy to carry it forward. If as a result of this action the people of Canada realize it is a myth that the Liberal party is a party of progress, perhaps the country can find ways to make gains in the months and years that lie ahead.

Let me go back to the first of my contentions in support of the suggestion that this is a sad day. I said that this action represents an open betrayal on the part of the government of its pledged word. I have already read the statement of the minister made on July 12, 1966, when he gave July 1, 1967, as the date on which this legislation was to become operative. May I just read one or two other quotations in support of this proposition, and let me add that before the 21 members of this party get through speaking on this matter all of these quotations will be read back to the Liberal party. I have here a clipping from the Ottawa *Citizen* of September 21, 1965, shortly after the opening of the election campaign of last fall. The clipping contains this sentence:

> Prime Minister Pearson today announced a pledge to have a full medicare scheme operating in Canada by July 1, 1967.

The article goes on to state that this pledge was made during a speech to Liberal candidates. No wonder Liberals at the grass roots, Liberal candidates and Liberal M.P.s across the country are concerned. They were given this word directly from on high that July 1, 1967, was the date. They campaigned on the basis of this statement and said that people did not have to vote for the New Democratic Party in order to get medicare because they would get it with the Liberals. The fact of the matter is that that promise was as clear and forthright as it could be, but it meant nothing.

Let me read the headline of an article which appeared in the Toronto *Star* of September 23, 1965. It states "Medicare Plan by July 1, 1967, Hellyer Promises Scarboro". The story indicates that this statement was made in a speech by the Minister of National Defence at a convention which nominated Robert Stanbury to contest York-Scarborough, Canada's biggest riding. Maybe it was Canada's biggest riding in which the promise was made, but it is also one of the biggest hoaxes we have had for a long time.

Medicare

• (5:00 p.m.)

When this session of parliament got under way, hon. members will probably recall that it was not long before I was on my feet in the question period trying to get a commitment out of the government as to the bringing in of this legislation and its effective date. Two or three times in the month of February I urged that we have a clearcut statement on this matter, and the first few times the answers were a bit evasive or the Minister of National Health and Welfare would say, "The previous position still stands." But finally, after two or three answers to questions that were fairly definite, we got the statement of the Minister of National Health and Welfare, made on his own on May 17, 1966, as recorded in *Hansard* at page 5213, that the government had decided that medicare was going to come into effect on July 1, 1967, whether or not all or a majority of the provinces were ready. The statement was clearcut, namely, that the legislation would be in effect on that date for those provinces that were ready to take advantage of it. So from the Minister of National Health and Welfare and from the Prime Minister we had the repeated assurance that the effective date of this legislation would be July 1, 1967.

I suggest that the government, which made that promise as firmly as it did, cannot expect this house or the country to put any credence in the promise it now makes that it will be July 1, 1968. A government that can break a promise in the field of medicare as often as the Liberals have broken it cannot be trusted to carry out the promise that it now makes, and these firm assurances that we will have medicare by July 1, 1968, are just not worth the time it takes to make them.

Maybe my hon. friends to my right want this bill to go to a committee and be studied. They want more work done on it. There is right now an amendment they are trying to have accepted. They are helping the government, of course, to delay this legislation, and I expect it will be further delayed if the Liberals stay in power.

I make the suggestion that the government might do this on a really historic basis. They do not like my trotting out this 1919 book. They say, "Oh, there is the old 1919 line again." I am almost wearing out the book by bringing it into this house so often. I remember that when I first came here in 1942 I was astounded that the promises which had been made 23 years before had not been put into effect. Now we are up to 47 years. It was

going to be 48 years, and they have now put it off to 49 years. Why don't they wait until August 6, 1969, at 11 p.m. precisely? If they do so, it will be exactly 50 years from the time the Liberal convention in 1919 passed the resolution that had been moved by one W. L. Mackenzie King and seconded by one Arthur Roebuck.

Mr. Baldwin: Why not make it a centennial project?

Mr. Knowles: I believe it would be nice to do it while at least one of the sponsors of the original motion is still around, but perhaps Arthur Roebuck will be around for another 50 years. Why was this change made? We know the first reason given by the Minister of Finance (Mr. Sharp), which was that it was part of his program to battle inflation. That argument has been characterized as nonsense by just about everybody but the Minister of Finance—and he too probably knows that it is nonsense. After all, medicare does not involve that large an expenditure of new money that it plays any part whatsoever in inflation. But even the Minister of Finance has shifted his ground. He has been pressed by Liberals in caucus or at conventions, pressed by newspaper people and so on, and has given other reasons. He told us on one occasion that it was a matter of priorities. On one occasion he held up the blue book of estimates and asked, "What items do you want us to cut out so we can put the money into medicare?"

The minister then trotted out old age pensions and asked what it was to be, an increase in old age pensions or medicare. The old age pension increase about which the minister was talking could be paid in full out of the old age security fund. On the question of priorities I would suggest that colour television might have waited if we had wanted to save money, the national defence building that will blot out the parliament buildings could have waited, or the construction of the second trans-Canada pipe line in northern Ontario could have been insisted on, rather than letting it go the the United States. But the government has to pick out medicare, something which our people seriously need, and put it at the bottom of the list of priorities. It is too bad that the Minister of Finance is not here. I hope he will be here before the debate is over, and this gives him lots of time because it is going for quite a while yet. I hope the minister will take part in this debate and tell us his part in connection with medicare legislation. I hope the Prime Minister will speak on this matter which should be a major concern to the government. I suggest that the Minister of Finance perhaps came closer to the truth when, as reported in one newspaper, he said that not only was it because of inflation and these other reasons but the government had to demonstrate to the business community that it is responsible. I submit that he was getting close to the reason there, namely, that the Minister of Finance is more concerned about his relations with the business community than he is about the needs of the people of this country.

Some hon. Members: Hear, hear.

Mr. Knowles: As a matter of fact, all of us remember that during the election campaign the hon. member for York-Scarborough (Mr. Stanbury), the hon. member for Hamilton East (Mr. Munro), the Minister of National Health and Welfare, the Prime Minister and the Minister of National Defence (Mr. Hellyer) were saying we would have medicare by July 1, 1967. What did the then minister of trade and commerce, now the Minister of Finance, say during the last week of the campaign? He said he was just expressing his own personal view, but he said this might not be possible because there might not be enough doctors and money and medicare might have to be put off for another year or two. The truth is coming out. The big power in this government so far as anything that costs money is concerned is the Minister of Finance. Even when all the other big-shot Liberals were telling the country in the election campaign that we were going to have medicare by July 1, 1967, he was casting doubt on this promise. No wonder the Minister of National Health and Welfare on July 14, in the committee to which I referred a few moments ago, when I said medicare had three or four months to be kicked around replied to me with those plaintive two words, "I know".

I say, Mr. Speaker, that this is a sad day for Canada because of the utter disregard of the needs of our people involved in this callous action on the part of the government. Our people are suffering in many ways. The rising cost of living is having a very serious effect on the health and well-being of our people. The government has to do something about this. One of the things governments can do to improve the lot of the people is

increase social security measures. The more basic things that people need which are paid for on an insurance basis or by the government, the more you cope with these problems that face our people.

I submit that at this time when the high cost of living and the problems of living on low incomes are pressing on our people, the one thing that should be at the top of the list is the institution of medicare. Instead of putting the date off until July 1, 1968, the minister should have the foresight and determination to stand up and say that he wants this date advanced at least to January 1, 1967.

The people of this country find that increased medical bills make things more difficult for them. People have to mortgage their future to get the medical attention they need, and many people have to go without medical attention. Those who suffer in this way will know that the aggregation to blame is the Liberal party, because it is the Liberal party which is imposing this callous treatment on Canada at the present time.

• (5:10 p.m.)

The third reason that I cited for declaring this to be a sad day in the history of Canada and of parliament is that this kind of performance is a reflection not only on the Minister of National Health and Welfare and the Minister of Manpower and Immigration (Mr. Marchand), as well as the hon. members for Hamilton East and York-Scarborough and those who believe in the present need for medicare but are not prepared to go with it, not just a reflection on the Liberal government and the Liberal party, but in the eyes of the country it is a reflection on parliament, on politics and on democracy itself. All of us suffer as a result of it. Never mind the fact that maybe the rest of us in this house suffer these criticisms unfairly; the real concern is that this does damage to the confidence and to the faith of our people in the democratic process. On thing people have a right to expect out of the political process is integrity and dependability.

For 47 years we have had promises from the Liberal party. Nothing could have been more firm than what was promised by them in last year's campaign, but it has now been thrown out the window. I submit that those on the side of the government who like to make speeches about the importance of parliament and about keeping up the image of parliament have a chance to do something if they will keep their word on this very important matter. These are the three main reasons that I give for suggesting this is a sad day in Canadian history.

May I spell out for a moment or two the other point on which I said I would dwell, namely, that in the eyes of the Canadian people the myth about the Liberal party is at long last being exploded. We have been told for decades that the Liberals are the party of labour, that they are the party of social welfare and progress. The record is clear on the kind of pressures that were necessary to get any action out of the Liberal party, but the fact of the matter is that it was 47 years ago, as recorded in the book reporting the 1919 convention, that the Liberal party hoisted to the top of the flagpole its pledge for old age pensions, unemployment insurance and medicare.

It was in 1927, eight years later, that the first old age pension legislation was put into effect in this country. It was in 1940, 21 years later, that unemployment insurance came into effect, and it looks now as though it will be a full 50 years before medicare is put into effect in this country. The hon. member for Peace River (Mr. Baldwin) says it may be 100 years. Surely, Mr. Speaker, that tells the Canadian people that it is a myth, a hoax, a delusion to presume that the Liberal party is a party of progress or of liberal ideas. I do not wonder that the Liberals have had trouble during their convention in the last few days. The fact that they have papered over the cracks and given emotional ovations to their leader does not hide the uneasiness on the part of some of them over there who do have liberal ideas; they realize they cannot count on their party to go ahead with the policies their leaders say they believe in.

Mr. Speaker, we are not only faced with delay in medicare but also with the time it has taken this government to bring in the labour legislation. Now we have the old age pension issue all over again. It took years to get rid of the means test, but this government is talking about increasing the old age pension and attaching a means test to it. It is turning back the clock, and therefore the Liberal party is not a party of progress but a party of retrogression. Somehow it maintains itself in the country on the strength of the argument that it holds the country together. It does all it can do to hold itself together, but perhaps out of this the country may realize, as Peter Newman said on television

the other night, that the Liberal party may be stronger, that its organization may be more democratic, but it is now at dead centre or, as I suggest, it is now at centre, dead.

And so, Mr. Speaker, we want to make it clear that we are in support of the bill that is before us. We disapprove of the loophole that is contained in it which will permit the private carriers to handle medicare in the provinces if the provincial governments so desire. We do not like the way in which universality has been watered down, and there are some other changes that need to be made in the bill.

But we support the main point of the bill, namely, that there shall be a medicare program on the basis of four cardinal principles and that this legislation shall come into effect on July 1, 1967. That is what is in the bill now, and five of the eight operative clauses contain that date. If the minister is going to change the effective date he will have to change five of the clauses in the bill, but it will be over our protest. We will do our best to prevent any such amendments from passing and we hope the Liberals on the other side who say they want medicare on July 1, 1967, will join with us in voting against any of these amendments.

I come back to what the minister said at the start, to what he said today in the timid speech which we could hardly hear. He said this was a bill which carries forward the principles enunciated by the Prime Minister in July, 1965, but that it introduces flexibility without eroding the principles. We submit that two or three of the basic principles of this legislation have been eroded. We submit that there has been a retreat, and we submit that the change by one year, from July 1, 1967, to July 1, 1968, is not something the government can make light of. It is a betrayal of the pledged word; it is a turning down of the hopes of the people of Canada, and I submit it does damage not only to the party in power but to the whole political process.

There is time even yet for the government to review its decision because a good many people want to speak in this debate, and there is time to think it over. I plead with the government, not only in the name of the need of our people for medicare but in the name of our people's desire to have faith in parliament, in democracy and in the pledged word, that this bill be allowed to go through all its stages with the date that is now in it. Let us make it effective on July 1, 1967, so that we can carry out the spirit expressed by the Minister of National Health and Welfare when he introduced this legislation on July 12, and I quote it again from page 7549 of *Hansard*:

> The introduction of this resolution, Mr. Chairman, I believe marks an historic day for this parliament and for Canada. The program it spells out goes a long way toward closing the gap in our overall social security system. It is our hope it will result in the commencement of provincial medical care plans covering all Canadians on the 100th birthday of Confederation, July 1, 1967. This would be a most appropriate way to mark our birthday,—

I agree with what the minister said when he first brought in this legislation. I ask him to go back to it on second reading so that we really can celebrate our 100th birthday by having medicare in effect on July 1, 1967.

Mr. Speaker: The hon. member for Villeneuve (Mr. Caouette) is the next speaker.

[*Translation*]

If the hon. member for Villeneuve (Mr. Caouette) would now allow me to refer to an amendment moved earlier this afternoon—

[*English*]

However, I should first like to refer to the amendment moved by the hon. member for Simcoe East (Mr. Rynard), seconded by the hon. member for Brandon-Souris (Mr. Dinsdale). It was understood that the Chair would have an opportunity to look at this amendment and that hon. members would express their views thereon. I would be grateful to hon. members if they could let me have their views on the point of order, that is, whether or not this amendment is acceptable and in order.

• (5:20 p.m.)

Mr. MacEachen: I have a few comments to make about the regularity of the amendment. I begin by a reference to May's sixteenth edition, page 530, where the author specifies the features of a reasoned amendment in these words:

> A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories. It may be declaratory of some principle adverse to or differing from the principles, policy or provisions of the bill.

I believe this would be the only point that could be utilized to support the regularity of the amendment. I remind Your Honour that the amendment states that no legislation for the provision of insured medical care services in Canada will be satisfactory unless it, and I quote:

> (a) secures co-operation of the governments of the provinces of Canada.

This is not a policy or a provision contrary to the bill. The bill is designed to secure the co-operation of the provinces and we expect that co-operation will be forthcoming. This statement is merely an argument or a prophecy and it is not a provision or principle contrary to this bill because the bill does provide for co-operative arrangements with the provinces in the financing of this program.

Paragraph (b) of the amendment reads:

(b) recognizes the principle of voluntary choice by the individual;

The suggestion here is that in some way the provisions of the bill do not recognize the principle of voluntary choice. I argue that obviously the provisions and principles of the bill are fully compatible not only with the principle of voluntary choice by the individual but the principle of voluntary choice by the medical profession itself. I merely make the point with respect to paragraphs (a) and (b) that there is no policy or provision proposed in either of these two items contrary to the provisions of the bill. Both are quite compatible with the provisions of the bill.

With respect to paragraphs (c) and (d), I merely wish to refer to a further point raised by May to the effect that the principle of relevancy in an amendment governs every such motion. The amendment must strictly relate to the bill which the house, by its order, has resolved upon considering. I argue that paragraph (c) is irrelevant merely by pointing out that the matter of medical research is provided for in the estimates of the Minister of Industry. We have already passed a bill this session, the health resources fund bill, dealing with this other matter of providing capital facilities for the training of an adequate number of doctors and other medical personnel.

Paragraph (d) reads:

(d) immediately provides for those persons who are unable, for financial reasons, to provide medical services for themselves.

I might say that this house has already taken action this session through the Canada Assistance Plan to provide for this very item. All I am saying in respect of paragraphs (c) and (d) is that they are irrelevant to this bill because each of the items dealt with in (c) and (d) is irrelevant to the scope of the bill.

Hon. E. D. Fulton (Kamloops): I submit to you, sir, that there is a very recent precedent which establishes that the amendment now before the house is clearly in order. The most recent precedent is, of course, the amendment moved on August 30, 1966, in this session, an amendment to the second reading of the bill to provide for the resumption of operation of railways, when all the points which were made by the minister today were made at that time and disposed of. I do not propose, therefore, to detain the house at any length. Perhaps I might deal briefly with what the minister has said. He rested his argument, first, once more upon only one section of the citation in May—I am referring to the seventeenth edition of May, page 527—where we find not only what was read by the minister but also words to the effect that a reasoned amendment may express opinions as to any circumstances connected with the introduction or prosecution of the bill or otherwise opposed to its progress. In my submission, sir, the criticisms contained in the amendment are supportable equally upon that second ground set forth in May as upon the first, notwithstanding what the minister has said.

The only other portion of the minister's argument with which I might deal is that portion in which he sought to suggest that subparagraphs (c) and (d) of the amendment are not in order because they are not relevant. It was quite obvious from the minister's argument that was not the point he was seeking to make. It was that in his view subparagraphs (c) and (d) are not sound; that is what he was saying. In other words, he was saying that part of the amendment should not be allowed because he does not agree with it. This is a matter of argument and does not make the amendment out of order. It is a matter for debate and vote, not a ground upon which the amendment can be ruled out of order. I submit to you that subparagraphs (a) and (b) as well as subparagraphs (c) and (d) express opinions on circumstances connected with the introduction or prosecution of the bill and are therefore, along with the whole amendment, clearly in order on the basis of the citations that have already been put before you.

Mr. Baldwin: The hon. member for Kamloops has been most persuasive in his argument and has dealt adequately with the points raised by the minister. I have some comments to add in a complementary way with regard to paragraphs (c) and (d). The minister has suggested that (c) and (d) are not relevant because in his opinion they have been dealt with adequately in other legislation introduced in this house earlier. I think

we can take issue with that. It is probably because in the opinion of the mover, the hon. member for Simcoe East, these particular sections have not been dealt with that he felt it essential at this time to introduce the amendment. The minister is drawing an assumption. He is entitled to draw an assumption, but like so many assumptions which come from the other side of the house it is an erroneous one. Because of that fact the hon. member for Simcoe East, and we are supporting him, felt it was most essential at this time to introduce this amendment and to include paragraphs (c) and (d). It may be that time will tell which of us is right. I suggest that for the minister to ask you to make your ruling on the assumption that certain legislation which has been passed will produce certain results is drawing a pretty long bow.

Mr. Speaker: I thank hon. members for their sound and sage advice relative to the amendment proposed by the hon. member for Simcoe East and seconded by the hon. member for Brandon-Souris. The amendment as has been mentioned by hon. members who took part in the discussion, is claimed to be a reasoned amendment and as such must be judged by the principles which have been mentioned in the house previously on numerous occasions, particularly on August 30. At that time, when a reasoned amendment was proposed by the right hon. Leader of the Opposition, I expressed my views on the principles which must govern the acceptance of reasoned amendments. These principles are set out chiefly in May's seventeenth edition, page 527. This citation gives three different and alternative categories within which an amendment should fall.

• (5:30 p.m.)

As I have explained, if a reasoned amendment is not acceptable by virtue of the fact that it does not fall within the first of these categories, it can still be acceptable if it falls within the second and third categories enumerated by May's seventeenth edition. This is the point which was made by the hon. member for Kamloops and I am in full agreement with him. Even though the amendment is not declaratory of a principle adverse to or differing from the principles, policy or provisions of the bill, it can still be accepted if it falls within the other two categories.

I find on this ground that I cannot accept the objection raised by the Minister of National Health and Welfare who raised the very important question of relevancy. This, of course, is a very serious objection inasmuch as the rule provides that all amendments, even reasoned amendments, are subject to the rule of relevancy. The requirement is that an amendment should be strictly relevant.

I have looked at paragraphs (a), (b), (c) and (d) of the proposed motion, and looking at them objectively they certainly appear to me to be relevant to the bill. The claim made by the minister was that paragraphs (c) and (d) are not strictly relevant inasmuch as at least one of these two is dealt with by the estimates of the Minister of Industry. I would suggest to him that that is not sufficient reason to decide that the matter is not strictly relevant to the principle of the bill before us.

He also stated that paragraphs (c) and (d) are dealt with by other legislative amendments or proposals. On the other hand, I take it that if the hon. member for Simcoe East promotes the acceptance of these principles, it must be because he feels that they are not included in other legislative proposals. I think that the word "adequate" which is used in paragraph (c) is particularly important. The hon. member for Simcoe East may feel that some provision has been made for medical research and training an adequate numbers of doctors and other medical personnel, but according to this amendment he is suggesting that these provisions are not adequate.

I would think it is a matter for argument whether the proposals made by the hon. member for Simcoe East are or are not included in these other legislative proposals or enactments. I would have to study these enactments to express an opinion. At that point I would take part in the debate myself if I were to study the enactments to which the minister has referred in order to decide between his contention and the contention put forward by the hon. member for Simcoe East. I do not think the Chair should be placed in that position. I will rule strictly on the point of order, not on the substance of the amendment. For this reason I believe I should accept the amendment.

I would stress again a point which I made before, namely, that if there is any type of amendment on which it is extremely difficult to make a ruling it is these reasoned amendments which are becoming more and more popular in the house and which create constant difficulties for the Chair.

I would suggest to the minister and to hon. members that when there is at least a reasonable doubt in my mind—I am not suggesting

that the argument of the minister is totally wrong; I believe he made a very logical and intelligent argument—in such circumstances I should give the hon. member who proposes the amendment the benefit of that doubt. Therefore, with respect to hon. members, and particularly to the minister who made such a strong argument in support of his point of view, I will accept the amendment and say that it is receivable at this time.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) said a while ago that we had plenty of time for consideration of the bill now before us, namely Bill No. C-227. Indeed, considering that this legislation cannot come into force before July 1, 1968, we have plenty of time to debate it. We practically have two and a half years, or at least two years, to discuss the contents of a bill which does not mean much in itself.

Indeed this bill is entitled:

An act to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

Therefore this means that the province or provinces have a duty or an obligation to have medical care plans of their own. And then the federal government, in the spirit of Bill No. C-227, will contribute towards the cost of insured services.

Under the circumstances, Mr. Speaker, I believe the Minister of National Health and Welfare (Mr. MacEachen) should have introduced his bill this afternoon for an immediate increase in old age pension benefits in Canada. Inquiries coming from all parts of the country ask when the government intends to put its old age security program into practice, and we are unable to give them a definite date.

The minister was telling me this afternoon that it would be introduced during the present session. The present session will come to a close around Christmas time, until then our old age pensioners will still be getting only $75 a month. And the Minister of Finance (Mr. Sharp) was telling us, the other day, that we were presently going through a very difficult period, an inflation era where the cost of living is continuously rising at an appreciable rate. But our pensioners must be content with a meagre $75 per month allowance, with which to face this increase.

• (5:40 p.m.)

It seems to me that the Minister of National Health and Welfare would have shown objectivity, wisdom, and better understanding if he had asked us at the beginning of the present sitting to begin consideration of the bill to raise old age pensions to $105 a month. for those in need. But no; the minister tells us: we will study the bill entitled:

An act to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

Mr. Speaker, I said it a little earlier; we still have two years before the coming into force of that scheme or that federal contribution to the provinces. In passing, allow me to say that the federal government will conribute to the costs incurred by the provinces to the extent that it has received from them money collected from taxes imposed on the working public, in short on the population of those provinces. It will contribute only after such taxation.

If through Bill No. C-227 we are to pay for a bureaucracy here in Ottawa, which will determine the amounts which the federal government will contribute to the cost of insured services provided by the provinces and if we have, on top of that, another provincial bureaucracy which sees or will see to the administration and application of a medicare insurance plan, then we will double the expenditures and the administration costs. In my opinion, that is what I find illogical. If the federal government must get those funds from the provinces' treasury to be able later, after having paid its bureaucracy, its administration, to give what is left to the provinces, it would be better if it withdrew completely from such schemes and left the provinces to administer themselves, which is what several provinces have asked in many cases.

Today, the Conservatives moved the following amendment:

This house, while of the opinion that provision should be made for medical services to be available to all Canadians at an adequate level on a prepaid basis, is nevertheless of the further opinion that no legislation for the provision of insured medical care services in Canada will be satisfactory unless it:

(a) secures co-operation of the governments of the provinces of Canada.

That is precisely what has not been settled at this time. Federal-provincial conferences are held, in Ottawa or elsewhere, and the provinces object to one scheme or another submitted by the federal government; they

insist on their autonomy. The province of Alberta protested against the interference of the federal government in the field of medical insurance. British Columbia did the same thing. The province of Quebec also objects to the federal government interfering in the field of health.

Mr. Haidasz: Why?

Mr. Caouette: The province of Ontario—because we want precisely to preserve our freedoms and respect the autonomy of every province in Canada.

Mr. Speaker, before the federal government introduced its bill to help the provinces or suggest to them the establishment of a medicare plan, some provinces already had set up such plans within their respective boundaries.

As a matter of fact, in *La Presse* of January 22, 1965, the following item appeared:

Health insurance scheme in British Columbia.

The Social Credit government of British Columbia laid down yesterday the broad lines of a health insurance scheme for the benefit of low income groups which will be operated by private insurance companies.

This announcement constitutes the main feature of the speech from the throne read by the lieutenant governor, Mr. George Pearkes, at the opening of the 2nd session of the 27th legislature of that province.

Almost two years ago.

The plan entails an optional test of personal incomes. . .

An optional test, rather than a compulsory one, whereas the federal plan will be compulsory.

The plan implies an optional test of personal incomes and is meant to help those who are not entitled to social welfare but who, on account of their very low income are unable to pay the entire cost of medicare.

Naturally, the provincial leader of the New Democratic Party objected to that bill alleging that it was a surrender to the physicians and that the scheme could be a surrender to private insurance companies.

Mr. Speaker, has the N.D.P. in Saskatchewan made such a great success of its medicare scheme when physicians refused to co-operate with the government? Has the N.D.P. government not been compelled to respect the physician's freedom and to take into account the fact that a human being is more important than a governmental scheme, be it medical or otherwise? Has the government not been compelled to retreat and reconsider its legislation?

They did not have to, either in British Columbia or in Alberta. Why? Because they respect the freedom of the individual, the freedom of everyone, the freedom of the physician and patient, the freedom of the human person, and this is the cause to which Social Credit supporters across Canada are dedicated.

Mr. Speaker, nobody in Canada is more anxious that the members of the Ralliement Créditiste to see that every Canadian gets medical care when he needs it. It is unthinkable that in 1966, at this very moment, Mr. Speaker, every Canadian cannot enjoy the security of obtaining medical care when he is ill, in hospital, or in need of a doctor. It is unacceptable and inadmissible that this should exist in a wealthy country like Canada. Nobody denies the physical potentialities of Canada, but, on the other hand, everybody fears and dreads the financial potentialities, precisely because we are tackling things which should not be touched while financiers get away with exploiting Canada.

If, instead of telling us the medicare plan will be put into effect in 1968 only, the minister had said: We shall stop paying interests on the national debt in order to fight inflation. And the minister could have suggested that the provinces attend to the insurance plan and agreed to provide them with the amounts of money required to meet those expenses in their own territory; but not a plan with a yoke, one that degrades, that is a breach of individual freedom, that compels a patient to choose or take compulsorily the government's doctor, as will be the case and as is the case in certain socialist countries.

I can understand, Mr. Speaker, that medical care can be provided in socialist and communist countries, but not through doctors chosen by the individual, no, but chosen and paid by the government. That is what we will be coming to with legislation of this kind.

What have we, the Créditistes been asking for, ever since we have been in this house? Since 1962, we have been talking about a health dividend for each and every citizen of Canada; we are urging the government to guarantee payment of the annual premium of a group insurance policy for a married person and for a single dependent person having to earn a living.

• (5:50 p.m.)

Mr. Speaker, under a group insurance or health dividend program, such as the Créditistes suggest, the government gives a coupon to each family head in Canada. Once a year, the government gives a coupon to every single person in Canada. These coupons may be used only for the purchase of a group insurance policy covering hospitalization, medical care and all other medical services for all Canadian citizens.

A family head would go with his coupon to the insurance company of his choice, either Sun Life, Crown Life, Société des Artisans or Solidarité. All those companies sell group insurance. There is group insurance in private industry. In my own business, my employees, their wives and children are covered by group insurance. Now, the family head chooses his plan. If he chooses a more expensive plan than the one offered by the government, the family head covers the difference. The same thing applies in the case of a bachelor, but the family head, as well as the bachelor is still free to choose. One chooses the company offering the best group insurance plan. In the field of car dealers, at one time we choose an insurance company, and a rival company offered us a better plan. A third one came and offered an even better plan. We have always chosen the best plan, the one offering the best guarantees and advantages for the money.

Mr. Speaker, it would be the same at the national level. The head of the family would choose the right insurance company and group insurance plan for his wife and his children and himself. The whole family without exception would then have both medical and hospital insurance. At the same time, we could substitute for the present government hospitalization scheme a hospital insurance plan allowing the patient to make the decision, instead of the government deciding for the patient, as is often the case today, and telling him: This is the room you must take. Even the name of the patient is forgotten. He is given a number, patient No. 438, patient No. 32, patient No. 12, patient No. 8. The human person does not count any more, he is only a number which the government can transfer from place to place, from one hospital to another, in the province of Quebec as in other Canadian provinces.

Mr. Speaker, the health dividend is a solution which would cost the government less than the present hospital insurance plan and the medical insurance programs advocated in Bill No. C-227.

Bill No. C-227 does not provide for the total payment of costs. Under this bill, the government will pay part of the costs of insured medical care services incurred by the provinces.

The province of Alberta tells the federal government: we do not need you, our plan is fine. The province of Quebec tells the federal government: do not meddle in our affairs, we are the ones who will deal with this.

And now the Minister of National Health and Welfare (Mr. MacEachen) tells us: No, you do not want us to, but we will help you nevertheless. How? With taxes levied in the province of Quebec and in the other provinces. That is why the premier of Quebec shouted during the last provincial election campaign: give us back one hundred per cent of the personal income tax and one hundred per cent of the corporation income tax. Give us back the funds that you take from us and we will be able to manage.

In my opinion, Premier Johnson of the province of Quebec is justified in demanding one hundred per cent of the personal income tax. At this time, by introducing an act to authorize the payment of contributions by Canada toward the cost of insured medical care services in the province of Quebec and in every other province the federal government admits that the premier of the province of Quebec is right.

Let us figure out how much the federal government will pay to the province of Quebec.

A tremendous amount of money will be needed for administration costs alone, and it will come out of income taxes collected in the province. Why not let the province use that money to implement its program and leave it up to the province to decide whether to have a socialistic program or one where people will be free. There is all the difference in the world between a plan imposed by a government and a plan selected by an individual. It is a different thing altogether. Our preference goes to the health-dividend medical plan as selected by the Canadian, the citizen, the human person, and not to a plan imposed by the Minister of National Health and Welfare, by the federal government or by the provincial government.

We want freedom of choice for everyone. There is none among us here, in parliament, who does not want to keep that freedom. And we, freedom-lovers, are going to pass a legislation which will place under a yoke, our

fellow-citizens who are as intelligent as anyone among us, who also want to choose and have freedom of choice.

We will listen to all members who will speak on Bill No. C-227; but I want to say, before resuming my seat, that we of the Ralliement Créditiste will require a system of health dividend respecting the freedom of choice, in preference to a yoke-type medical assistance as called for by socialists and suggested now by the Minister of National Health and Welfare.

Mr. Speaker, the Créditistes have a solution, but the Liberals do not have one, nor the Conservatives, with their meaningless amendment over which we will not linger. We will continue to call for respect of the human person in Canada.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles) Old Age Security —inquiry as to legislation this session; the hon. member for Chapleau (Mr. Laprise) Finance—inquiry as to whether the minister has considered fighting inflation through tax reductions; the hon. member for Grey-Bruce (Mr. Winkler) Agriculture—inquiry as to price of manufacturing milk.

[*English*]

Mr. MacEachen: I understand there may be unanimous consent if I propose that we rise between six and eight o'clock.

The Acting Speaker (Mr. Rinfret): Is there unanimous consent to suspend our proceedings until eight o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): The house will resume at eight o'clock tonight.

SITTING SUSPENDED

At 6.01 p.m. the sitting of the house was suspended.

[Mr. Caouette.]

SITTING RESUMED

The house resumed at 8 p.m.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

Mr. Deputy Speaker: Order, please. The hon. member for Fraser Valley.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, the bill which we now have before us, Bill C-227, brings to our attention a matter of great importance and one which has been under discussion on many platforms and in many forums across the country for a number of years. While very few if any would question the need for some definite plan under which the best medical care is made available to every person requiring it, there is a wide divergence of opinion concerning the best and most effective way to achieve that objective. I suppose in this regard most people would fall into one of two categories; first, those who support the idea of a government sponsored, government operated, compulsory health insurance program or, on the other hand, a voluntary plan with government assistance for those who cannot afford to provide health insurance for themselves.

The plan presented by the government, while recognizing the principle of provincial autonomy, as indicated on the front of the bill where it says it is an act "to authorize the payment of contributions by Canada towards the cost of insured medical care services incurred by provinces pursuant to provincial medicare insurance plans," in actual fact dictates the type and the scope of the plan which is acceptable to meet the eligibility conditions.

We appreciate the fact, Mr. Speaker, that certain changes have been or will be made in the bill. As the minister indicated, there will be a measure of flexibility written into the bill, or recognized, but I believe that in spite of this the provinces still are coerced into compliance with requirements which, in their

view, may be neither necessary nor desirable but which, unless accepted, would deprive them of assistance in financing their medical care insurance programs.

It is true that a province can refrain from participation in this particular program, but in so doing it still would contribute in the form of taxes to the implementation of the plan in other provinces in other parts of Canada. Therefore as I said, although there have been some rather fundamental changes promised in this legislation, these do not go far enough to remove some of the more obvious features which are obnoxious to various provincial governments and which I understand will not be accepted by them.

In looking at the measure before us, I think there are some commendable factors involved. First of all, there is recognition of the fact that health is not just a personal concern or a personal asset, but is a national concern and a national asset as well. There is no question but that illness is a personal loss; it brings hardship to the individual and to his family. It is however a national loss, in that that individual is not able to make the contribution in productive enterprise and in various social activities which go to make up our national life.

I think there is recognition as well of another principle; that is, that Canadian citizens should have within their reach, regardless of any financial considerations or obstacles, the very best in medical care which science has made possible. We stand amazed when we contemplate the advances which have taken place over the past few years in medical science as well as in other sciences. But what is the use of advances in medical science if people are not able to avail themselves of the benefits? Therefore I believe we must ensure that the children of our nation may have the health care necessary to the development of sound and strong bodies. We believe that families must not be fettered for their lifetime by medical bills which pile up and are beyond their ability to discharge. We believe the aged among us must not be deprived of those medical services required in their declining years. I say that regardless of the financial standard. I believe these services must be brought within their reach and must be made available to them whenever they are required.

I believe there is another principle involved here; that is, that society as a whole must assume collective responsibility to provide good medical services to those who, for a variety of reasons, are unable to provide it for themselves. In other words we recognize the fact that there always will be individuals in our society who, for various reasons, cannot be gainfully employed and are unable to earn sufficient money even to take care of the necessities of life, so far as food is concerned. Certainly when it comes down to the matter of medical attention they will never be able to meet the challenge or the need in this particular area of their lives. Therefore society collectively must recognize this fact and assume some responsibility therein.

• (8:10 p.m.)

Having said that I want to make it abundantly clear that we in the Social Credit party support the principle of a medical care plan. In stating that, however, I am not saying we are in support of or in agreement with every clause, line or word in the present bill. I believe it was the hon. member for Winnipeg North Centre (Mr. Knowles) who said his party would support this measure on the understanding that they would be supporting it as it now is, and not as it may be amended. Of course when we vote on second reading we are voting for the principle of the bill which is, as I have pointed out, the authorization of the payment of contributions by Canada toward the cost of insured medical care services incurred by the provinces, pursuant to medical insurance plans. As I said, while supporting the principle we do not support unreservedly all the various clauses contained therein.

Let me place on record, if I may, part of a statement made by the leader of our party on July 12 in respect of this matter. The hon. member for Red Deer (Mr. Thompson) stated at that time, as reported in *Hansard* at page 7563:

> Mr. Chairman, in commenting on this resolution, which is a preliminary to the medicare legislation that has been talked about by the government now for such a long period of time, I should like to say that we in the Social Credit party are in complete agreement with the proposition advanced by the minister that every Canadian citizen and every Canadian family, regardless of financial status or any other classification that might be applied, must have full access to the highest quality, comprehensive health care possible, according to physical or mental needs. This is a basic principle, and I think we, not only as members of this house but as members of society as a whole, must assure every Canadian citizen and every Canadian family that it will be achieved.

I believe that sets out very clearly the position of our group in respect of the principle of the measure before us tonight.

Let me also refer to a brief presented by the province of British Columbia to the plenary session of the federal-provincial conference held in Ottawa on May 31, 1965. On page 4 there is a section dealing with comprehensive medical services, and it states in part:

> British Columbia endorses, without reservation, the introduction of comprehensive medical services for all Canadians as soon as possible and irrespective of ability to pay, provided that the government of Canada will share 50 per cent of the costs. The government of British Columbia stands ready to bear the other 50 per cent of the required public expenditure to ensure adequate health services to all provincial residents. British Columbia recommends that these financial sharing arrangements be accepted by the government of Canada for early implementation. Details of health services to be provided can then be promptly completed by the appropriate departments of our respective governments.

As I pointed out, we in the Social Credit party are in full support of the principle enunciated in Bill C-227. I indicated that while supporting the principle of the bill we are not suggesting we are in full support of every provision.

Four principles have been laid down by the government which provincial governments must meet in order to qualify under the provisions of this legislation. First, they must provide comprehensive medical coverage; second, it must be universal; third, it must be operated by a government agency, and fourth, it must be portable between provinces.

In dealing with these various qualifications laid down I think we must recognize that there are some changes which have been proposed or placed in the measure by the government. First, the plan must be operated by a government agency. It seems to me there has been some flexibility introduced in this particular provision, and even though it has not been accepted or approved by some individual members of the house, I believe it is a very wise provision or concession, in that it does not necessarily mean it must be operated by a government agency, but by one recognized and approved by a provincial administration.

As far as the test of comprehensiveness is concerned, I do not think it has been met because there are certain classes of medical services that are and will not be included. No provision is made for dental services or for services of chiropractors. As was pointed out today, the costs of an optometrist will not be covered by the provisions of this measure. I do not think therefore that we can say this is a comprehensive measure. Many medical or health requirements are not covered, and it would seem to me that if we are to enter into a plan such as this it must cover all those services required by the people of our country.

As far as the matter of universality is concerned, we do believe there has been a certain flexibility introduced in that for the first two years there must be coverage for 90 per cent of the insurable residents of a province, and thereafter 95 per cent. Perhaps there should be changes made in this regard lowering the desired coverage in the introductory period to perhaps 80 per cent or 85 per cent. If this were done I think it would encourage the provinces which already have health care services or medical plans to integrate their plans with the federal plan, and in other ways meet the qualifications laid down.

The feature of portability is desirable, and we are pleased to note that when a person moves from one province to another he will be covered by the insurance of the province from which he has moved until he qualifies for coverage in the province to which he has moved. There has been some criticism about the statement regarding this principle of flexibility as introduced in the measure. I believe flexibility is absolutely necessary to ensure provincial co-operation.

Perhaps there will have to be further changes made if the minister really intends to meet the insurance needs of provinces so that they will be encouraged to enter into this program. Flexibility is desirable as well to accommodate provincial plans already in operation. It has been pointed out, charged or alleged that the government has retreated. It is often said that retreats are necessary to win wars and perhaps that is the case here. The government may have to make further changes to meet the wishes of provincial administrations who, after all, have the major responsibility for providing health services to the people of their communities.

• (8:20 p.m.)

Hon. members who have spoken today have mentioned various features which are absolutely necessary if a health plan is to be successfully implemented. I am not going to enlarge on them or even enumerate them, but I think the hon. member for Simcoe East (Mr. Rynard) covered them very thoroughly when he referred to the necessity for trained personnel, training facilities, hospital facilities and all the other things that are absolutely essential if a medical care plan is to be

effectively administered and meet the needs of the people of our nation. Therefore, Mr. Speaker, I believe that an intensive program is required to prepare for the effective implementation of the proposed medical care plan.

I understand that the principle of the bill is financial participation with the provinces in the provision of medical care insurance for all citizens of Canada. The measure now before us is considerably different from that which was first contemplated by the government. I believe that when we reach committee stage further changes will be suggested and I trust they will be accepted by the government.

I do not propose to say anything further at this time, Mr. Speaker, except to point out that we agree there are measures which are far more important at the moment than is the legislation we are now considering. The government has already indicated that this program will not become operative until July 1, 1968. What about the old age pension legislation that has been predicted? The government has already said that legislation will be introduced to assist in meeting the needs of the senior citizens of this country. Why, in the name of common sense, do they not bring that legislation in rather than this measure which will not become effective for another year and a half? I remember another occasion on which the government got its priorities all confused and mixed up, and as a result the activities of this house were hamstrung for weeks and weeks. It may be that the government hopes to gain some political advantage from bringing in this legislation at this time.

Mr. Woolliams: Oh, I don't think so!

Mr. Patterson: I doubt that it will have this effect. I suggest that countless citizens of Canada would have very much appreciated the government's saying: This legislation will not be implemented for another year and a half; therefore we will proceed with measures that are more urgent and place in a prior position legislation which is so important to the senior citizens of this country.

What about the unification program of the armed forces? This is something that will be implemented in the very near future. I am not arguing for or against unification of the armed forces at the moment, but I say that if this program is to be implemented this fall or early next year, and the medical care plan will not be implemented for a year after that, why give this measure priority over that with regard to the unification of the forces?

I believe the government has erred seriously in bringing this measure before the house and giving it prior position on the agenda when there are other measures that will have an immediate beneficial effect in our country, once they are dealt with. As I have said, we support the principle of the bill but trust its provisions will be changed when it reaches committee stage in the house.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, my contribution to this debate will be brief. I had an opportunity to speak to the principle of medicare when the resolution was before the house some weeks ago. I want to take this opportunity to congratulate the minister on having responded to the requests and submissions of the members of his party, supporters of the government, to introduce the feature of flexibility with respect to the implementation date of this measure. The minister referred to this flexibility today. There are members of this house who would be so intractable as to destroy the program because it was not identical with their particular idea of what it should be.

Mr. Orlikow: It is your idea.

Mr. Stanbury: There are others who might run away from this problem and destroy themselves. I should like to pay tribute to a minister who is strong enough and courageous enough to bring into this house a bill in which he believes and one which this country needs, even if it does not completely satisfy all of us in the house.

It is no secret to the house that many members of the Liberal party, supporters of the government, were disappointed at the necessity, as the government saw it, of postponing the implementation date for medicare, but I am grateful that the government has responded to the representations of its own members and has introduced the feature of flexibility which might permit this program to be implemented before July 1, 1968. This bill makes perfectly clear the commitment of the government and I hope that when it is passed, as I am sure it will be, it will make clear the commitment of the Canadian people to the goal of making health services equally accessible to all Canadians wherever they live, whatever their income or disability might be.

When the resolution was being discussed in the house I expressed some puzzlement at the position being taken by the official opposition.

I admitted to some uncertainty as to whether the principle of this bill was being supported or rejected by the official opposition. I received assurances at that time that the official opposition had had in its platform for some time a program of medicare, and wholeheartedly supported the principle of this bill.

When the hon. member for Simcoe East (Mr. Rynard) began his remarks today I thought he was confirming that resolve on behalf of the official opposition, to see that medicare was introduced at the earliest possible moment. The hon. member began by asking, "Why not July 1, 1967?" Indeed, I might have asked the same question a few weeks ago. But he went on to tell us all the reasons why medicare could not be implemented in the foreseeable future in the view of the official opposition, and concluded by moving an amendment to the bill which even a novice parliamentarian like myself knows does not have any effect but to kill the bill. Is that the intention of the official opposition —to kill medicare?

Mr. Fulton: Yes—this bill which has been killed by the government already.

Mr. Stanbury: Apparently that is so.

Mr. Webb: It is to get it going.

Mr. Fulton: Why not bury it?

Mr. Stanbury: Now I come to the comments of the hon. member for Winnipeg South Centre.

Mr. Knowles: North Centre.

Mr. Stanbury: Yes, the comments of the hon. member for Winnipeg North Centre (Mr. Knowles). I appreciate the credit he gave to me as one of the proponents of medicare. But I must say I was very disappointed at his remarks because it seemed to me that instead of directing his attention to the merits of this measure, he devoted most of his time to belabouring the minister and heaping ridicule, satire and cynicism on the head of the minister and the government.

Mr. Knowles: And scorn.

Mr. Stanbury: And scorn. He has developed great expertise in that during the many years in which he has been in the house. He thundered through without really directing his attention, except very briefly, to the merits of the bill. My impression is that his greatest disappointment was in the fact that this government would be the one to put on the statute books of Canada a medicare plan for all the people of Canada.

• (8:30 p.m.)

Mr. Knowles: When?

Mr. Stanbury: I suggest it will be a great deal sooner because this government is in office than it would have been otherwise.

One of the things that disappointed me in the remarks of the hon. member for Winnipeg North Centre was the threat, not just implicit but explicit, that the members of his party were prepared and in fact threatening to conduct a filibuster to the extent of their ability with 21 members in the house.

Mr. Orlikow: How will that affect us if we have to wait until 1968?

Mr. Stanbury: Members of the N.D.P. are never concerned—

Mr. Orlikow: Tell us about Peterborough.

Mr. Stanbury: —about taking the time of the house, or making interruptions; but apparently even in this case they feel it necessary to delay the passage of this bill as long as possible.

Mr. Orlikow: How will that hurt?

Mr. Stanbury: My hon. friend asks how it will hurt. He knows that this house is waiting to deal with all kinds of important legislation, and I am not putting this legislation behind any that is awaiting our attention. This house and this country are waiting to deal with legislation on guaranteed income for the aged, on immigration, on defence and other important matters with which I think most members of this house would like to get ahead—even members of the official opposition. In spite of this the N.D.P. has threatened us tonight that each one of their 21 members in this house will speak, and if past performance is any guide they will repeat each other 21 times, until this house has exhausted its patience with them and perhaps until the country has exhausted its patience with the N.D.P.

Mr. Orlikow: Check the Gallup poll and see with whom their patience is exhausted.

Mr. Stanbury: If every member of the N.D.P. were to speak in this debate I wonder whether the Gallup poll would be as encouraging to their party as they think it is tonight. The hon. member for Winnipeg North Centre accuses this party, of which I am a member, of being in the dead centre or, as he put it so colourfully, in the centre, dead. I suggest to the hon. member that some people refer to

his party as being far left. May I point out to him that the attitude of the N.D.P. in this debate has indicated it feels indeed left: It is left out of the implementation of this legislation, and it seems to be suggesting that it will not be satisfied to have this government obtain any credit for something which has been undertaken against a great deal of opposition, and now apparently under the threat of a filibuster from the N.D.P.

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

Mr. Stanbury: He used a most tortuous argument to show that the credit for this legislation which he says his party supports should not under any circumstances go to the government. Well, Mr. Speaker, I am proud to be a supporter of a government that has not just talked about this measure, as Liberal and other governments have done for many years, but a government which will now put it on the statute books of Canada.

It is a disappointment to me that we may not have this legislation implemented for another year, but I am glad that this government is committing itself now to making health services equally available to all Canadians. That is why I oppose the amendment, which is simply a means of killing this bill, and I ask hon. members including those across the floor who claim to support the principle of medicare to support this bill as the government will amend it during the committee stage.

Mr. Knowles: Will the hon. member permit a question before he sits down?

Mr. Stanbury: I rather hesitate to accept a question from a person of such great wit and prominence, but I will try to answer it.

An hon. Member: Don't overestimate him.

Mr. Knowles: It is a simple question. Is the hon. member prepared to vote for the government bill in its present form, as we are?

Mr. Stanbury: Mr. Speaker, I would be delighted to vote for the bill in its present form, if it is supported and proposed in that form by the government which I support.

I think that even the hon. member would prefer to have the government which I support than a government led by any other hon. member in this house.

Medicare

Hon. George Hees (Northumberland): Mr. Speaker, this afternoon the hon. member for Simcoe East (Mr. Rynard) in his very able presentation to the house, outlined the almost unbelievable program of preparation which will be needed to enable medicare to operate in an effective way in the future. He also outlined the shocking lack of preparation which is being undertaken by this government to bring in a realistic program of medicare of which the Canadian people can be proud. I am convinced that the great majority of Canadians believe in the principle of medicare and are anxious to see a workable plan introduced in the very near future. I know that I most certainly am. However, it has become apparent that if a crash program for training additional doctors, dentists, nurses and technicians, whom we are going to need to enable the plan to work, is not undertaken in the near future, then the plan will be a bitter disappointment to the Canadian people, who have been led to believe that medicare will be of such great benefit to the general health of the people of this country.

When the Minister of Finance (Mr. Sharp) spoke in this house some weeks ago to explain why the medicare program was to be delayed in its inception for one year, he gave as his reason for the postponement that the measure would increase inflationary pressures which are so seriously affecting the country.

• (8:40 p.m.)

Now, Mr. Speaker, we all know that these expenditures will not commence for another nine months. At that time such expenditures will be mostly a transfer from the private to the public sector. This country is engaged right now, not nine months from now, in a very important battle against the inflationary pressures which this government has allowed to grow during the past year or so. It is simply not in accordance with the facts to give as an excuse for the delay of this important medicare program, the fact that it will affect inflationary pressures today.

This medicare program is being delayed for two reasons, which have nothing to do with expenditures or inflation. The first of these reasons is that the provinces representing 85 per cent of the population of this country have refused to go along with the present plan. It is abundantly clear that no national plan could operate successfully if only 15 per cent of the people are included in it.

The second reason is that the Hall report had made it very clear that we in this country do not have nearly enough doctors, dentists, nurses and medical technicians to enable this plan to operate successfully. If a crash program is not started immediately to produce the additional personnel we are going to need, they are not going to be available for many years to come. So we see, Mr. Speaker, that the reasons for the postponement of this plan are not monetary, but political. This is a prime example I believe, of the political duplicity of the government in avoiding a solemn election pledge which it gave during the last election, namely, that when elected, it would immediately introduce a medicare program. It is obvious that the promise given during the election was not intended to be kept, and in my opinion that is political duplicity.

This government wants to avoid political humiliation by introducing a plan before the next election; a plan which has been rejected by the provinces in which 85 per cent of the people of this country live; a plan which will not have anything like the medical personnel which will be needed to enable it to operate successfully. This plan, like so many other legislative measures which have been presented to this house by the government, has been presented in haste, with a great lack of preparation and consultation with the provinces who, after all, are the ones who will have to make the plan operate successfully. It was presented at the last election simply to win votes, and without any thought of how it would work. The government now intends to try to keep the plan in cold storage for another two years. It has a very definite plan in mind. This plan is, as everybody well knows now, for the Liberal party to have a leadership contest a year from now. Following that leadership convention, they intend to call an election—

An hon. Member: Are you going to run, George?

Mr. Hees: —in the spring, I am a member of a party, Mr. Speaker, which is proud of its policies, not ashamed of them. As I was saying, Mr. Speaker, that plan is to call an election in the spring of 1968, before the date this government has said it intends to bring in this medicare plan. So, once again we are going to have medicare promised in yet another election, just as it has been during the past 47 years. The hon. member for Winnipeg North Centre (Mr. Knowles) has pointed out that in every election since 1919 we have heard the same old promises, the same speeches, the same words, and seen the same duplicity from the same old gang. The same intentions to bring it in have been announced, and then it has been put aside, brought out and dusted off, to be presented at the next election. Well, Mr. Speaker, that is once again the plan of this government. I think this government is a government that finds it very difficult to stick to any plan it makes. The trumpets are blown and there is a call for a charge, then very soon afterwards you see the humiliating retreat after the errors and lax planning are pointed out by the opposition.

I think this time this government knows what it wants to do. It wants to introduce medicare once again, before it has the humiliation of putting it into operation and trying to make it work. The way things are going at the present time, it is obvious that unless very great changes are made, the majority of the people in this country are not going to be brought into the plan. This would make it impossible to operate. By July 1, 1968, there are not going to be nearly enough trained medical personnel available to make the plan operate successfully. I suggest to this government that they now go back to the drawing board and replace their plan with one that is operating successfully in this country, the plan introduced in the province of Ontario not long ago. This plan has in it one and three quarter million citizens of the province of Ontario. It is operating on a voluntary basis, and it has been found extremely satisfactory to the citizens of Ontario. I suggest to this government that they go back and redraft their plan on the basis of the successful plan which the province of Ontario has introduced.

I suggest if they do so that they would have a very good chance of having the majority of the provinces in this country go along with that plan, and make it not only a possiblity, but a reality. I believe the government should also start a crash program on a twelve months basis for training the great number of additional doctors, dentists, nurses and technicians which are going to be needed to make this plan operate successfully, and without which no plan can operate successfully. If they will do these two things, then I believe they can bring in a medicare plan which will be accepted by each of the provinces in this country, and which would be an operating success, instead of continuing to be,

after 47 disgraceful years of duplicity and dangling in front of the electorate, something to win votes at election time. If they will do this, they can bring in something of which the people of this country can be proud, and in which we can all participate with great benefit to the health of the people of this country.

[*Translation*]

Mr. Jean-Pierre Goyer (Dollard): Mr. Speaker, the medicare scheme announced by the present Minister of National Health and Welfare (Mr. MacEachen) is in fact the crowning achievement of the social program which the Liberal party has been implementing over the years. And the present Minister of National Health and Welfare can take pride in having put into force the last of the measures planned in the past and in doing it too quickly according to several people. When we see our friends in the New Democratic Party indulging in sarcasm, it is probably because they were taken by surprise by the vigour with which the Minister of National Health and Welfare implemented that program and they were taken off guard to such an extent that today they can only find fault with the date on which the medicare scheme will come into force. Really it is a very minor complaint with regard to such an important measure.

In fact, that enables the opposition to create a diversion because as far as some opposition members are concerned, it was clear that the medicare scheme did not fit in at all in their program and that, on the contrary, if they had granted it, they would have done it only gradually to secure a few more votes in successive elections and to indulge in pure and simple electioneering. On the other hand, the Liberal party prefers to give the people a universal scheme by making it applicable in a year from now only, at the latest. It means that we are at odds now on a matter of timing. If the house supports the medicare scheme, are we really going to spend days on a matter of timing? If it were only a matter of ideology, if it were only a matter of saying that if the program is implemented on such a date for one group of people and much later for another, this debate would make sense. But when it is only a matter of timing, I think that we are dishonest in trying to drag on the debate only to indulge in electioneering.

For too long, as a young member, a backbencher, I have seen this house used as a forum of the lowest order in Canadian politics. That is unfortunate. And that the medicare scheme should be involved today is more unfortunate still.

We should show full cohesion in a field as vital as health. We should all agree on this legislation, as everything seems to indicate. If it only a matter of the date, let us not protract this debate, let us not try to show the Canadian people that we are in favour of this legislation, as an excuse, in fact, to fight it. One who wants to kill his dog says it has rabies.

Mr. Speaker, I also had a feeling of regret when the Minister of National Health and Welfare had to announce that the date for the coming into effect of the program would be postponed. But we must consider that this postponement may be for a few months only, since the legislation is very flexible on that point. Hence, if our friends of the opposition would rather take advantage of favourable economic circumstances which may occur before long to request medical care, we might all agree then, and very rapidly. But taking advantage of this legislation to continue this debate indefinitely is unfair, especially toward a minister who, until now, has fought unswervingly in the house to crown the social assistance system in Canada.

Therefore, as a back-bencher, I appeal to the opposition front-benchers in order that we may find ourselves in a more serene climate and that we may work toward the passage of legislation which would give rise to fruitful debates.

• (8:50 p.m.)

[*English*]

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I rise in support of the amendment that has been moved by the hon. member for Simcoe East (Mr. Rynard), and I do this in all good conscience in spite of the remarks of the hon. member for York-Scarborough (Mr. Stanbury) who accused the opposition of trying to kill this bill. Actually, we are not trying to kill the concept of medical services in Canada, but we do feel that medicare as it is spelled out in the present bill is doomed to failure. Medicare in its present form is a dead duck.

Now, Mr. Speaker, there is no doubt in my mind that if a poll were taken across Canada there would be a resounding affirmation from the people that no person in this country should be denied the medical services which he requires, regardless of his or her ability to

pay. Our social conscience demands that our affluent society provide medical and hospital services for all. I believe all members of this house will agree with this concept.

This present debate then is directed more to the how, the why and the when. I see that according to papers of recent date the government has been instructed by the Liberal national convention with respect to the starting date of the plan, so no more need be said about the question of when, except that this postponement gives to the minister a breathing spell in which to give some sober second thoughts to the question of how.

We are fortunate indeed, Mr. Speaker, in considering legislation of this kind, not to be the pioneers in the field of social medicare. We have the experience of several countries to examine and to consider before bringing down our legislation and, if we are as astute as we believe, should be able to avoid the pitfalls of other schemes. We can profit from their mistakes. We need not follow the same paths to discover for ourselves the mistakes which have already been made in other jurisdictions.

Would the minister reconsider the evidence which is piling up indicating dissatisfaction in Great Britain with the medicare scheme that has been in operation in that country for 20 years? There have been numerous reports of this dissatisfaction, and to illustrate let me quote but one that came to hand recently. I quote from *Barron's National Business and Financial Weekly* dated June 20, 1966. No doubt many hon. members have seen this article, which carries the headline "Cradle to Grave?". It appears that the British are turning away from socialized medicine. I quote:

> A company called Independent Medical Service Ltd. will seek to sell Britons for cash what they have been getting free from the welfare state for nearly two decades. Executives of Independent Medical Services recently told Barron's that public opinion surveys showed 30 per cent—40 per cent of Her Majesty's subjects are not satisfied with free cradle-to-grave state medicine. They would prefer to make private arrangements with a family doctor. The firm, for a moderate charge, will enable them to do just that.

The people of Britain are dissatisfied, and for very understandable reasons: The doctors are overworked. The national health doctor in Britain has 2,300 people on his list compared to a national average of 752 people in the United States. This creates difficulty when people want to see a doctor and often leads to hasty examinations. Many are dissatisfied because of the loss of the doctor-patient relationship. They are also dissatisfied because of the long waiting period for hospital beds. Only the most urgent cases can expect to receive prompt attention. As I say, the report indicates that about three quarters of a million people are waiting for hospital beds in the United Kingdom.

• (9:00 p.m.)

It is a well known fact that British doctors are dissatisfied with the impossible working conditions engendered by medicare, and this situation has caused a mass exodus of medical practitioners from the British Isles. This has resulted in a tremendous gain for Canada, but has resulted in a vacuum in the medical ranks of Britain.

To quote again from the same article in *Barron's*:

> From 1955 to 1962, an average of 400 British doctors emigrated each year; in 1964, no fewer than 1200 left the country for good, as against 1600 who graduated from British medical schools. Deploring this "substantial permanent loss" Lord Kindersley cited a survey of British doctors who had emigrated which showed: "Unwillingness to enter general practice, or to stay in general practice, as it exists under the National Health Service, was the most common complaint mentioned by those who responded . . . from Canada . . .

Finally allow me to quote from a brief presented to members of parliament entitled "Medicare in Canada: A National Danger" prepared by Dr. L. D. Wilcox, Clinical Associate Professor, Department of Medicine, University of Western Ontario Medical School, which reads as follows:

> Since the initiation of National Health Service in Great Britain in 1947 the government cost of medical care, paid from taxes, has increased by more than 500 per cent. At the same time British standards have notably deteriorated and Britain's medical care today is far inferior to that of the years prior to 1947. Medical research in Britain has also deteriorated and Britain's standing as a leader in medicine and surgery has fallen to a low and regrettable level.
>
> Britain at present is losing more than 10 per cent of its medical manpower per year to the United States, Canada and other countries . . . With the likelihood of medicare in Canada these doctors are now looking to the U.S. as they escape from the medicare program in Britain.

In looking at the British scene, we find that on re-examination, after medicare has been in effect for 20 years, the general public is dissatisfied with the operation of the scheme; medical doctors continue to emigrate at an alarming rate; the cost of the scheme has grown by a fantastic 500 per cent, with a deterioration in the calibre of service.

Should not these facts give us warning not to follow the same path? Over one half of the

doctors now practising in Saskatchewan are non-Canadians. Will our young Canadian doctors continue to emigrate to the United States because of the threat of medicare?

I should like to refer to the hospital plan that we already have in effect. I am referring to the hospital insurance plan under the Hospital Insurance and Diagnostic Services Act which became effective on July 1, 1958. In the eight years past the government has contributed $2 billion to the provinces under the plan, which is an average yearly contribution of about $250 million.

Reducing these astronomical figures to understandable dimensions, the Minister of National Health and Welfare in a speech to the B.C. Hospitals Association convention on October 7, 1966, said:

> The per capita cost for the five year period from 1958 to 1963 rose nationally from $21.23 to $39.44 and it is now estimated at more than $50.00 per capita.

It does not follow that there has been a 100 per cent improvement in patient care between 1958 and 1963. The facts would appear to indicate that a service paid for by the government is more costly that when it is paid for by the individual.

Earlier on, I said that the minister should give sober second thoughts to some of the aspects of medicare. I used the word "sober" because it appears to me from the legislation that the minister is drunk with power. He has been adamant in introducing his own version of medicare. He has rejected all suggestions for improving the plan. He has selectively disregarded portions of the Hall Commission report. He has spurned the plight of the provinces as expressed by the premiers of the provinces. Bearing these facts in mind, I wish to say again that we are trying to save medicare, and not kill it.

Quoting from the pamphlet *The Interpreter* of August, 1966, I should like to express to the house the opinions of the various premiers with respect to Bill No. C-227:

> Alex Campbell, newly-elected Premier of Prince Edward Island, said his province cannot afford medicare unless it gets a better share of federal tax money. Nova Scotia's Premier, Robert Stanfield, said he has never been happy about the financial arrangements inherent in the federal medicare proposals—
>
> Speaking for the Quebec Government, Education Minister Jean-Jacques Bertrand stated that his province would not submit to a national medical care plan imposed by the federal government. He said grants to the provincial schemes should be unconditional. Premier E. C. Manning of Alberta described the federal proposal as burdensome, and reiterated his stand that Alberta is opposed to the compulsion implicit in the federal requirement for universal coverage . . . he favours a voluntary scheme that does not require the elimination of privately-operated health insurance plans.
>
> Manitoba's Premier, Duff Roblin, said the federal plan should be scrapped and a fresh start made. The compulsory part, . . . is not necessary—a voluntary plan would be better . . . Ontario's Premier John Robarts said he was dissatisfied with the manner in which Ottawa went about drawing up the legislation. He said there has been no opportunity for consultation, and demanded that there be a top-level federal-provincial conference on medicare.
>
> —The objections voiced by the Premiers, with one or two exceptions, appeared to reflect their dissatisfaction with the inflexibility of Ottawa's requirements for participation in the plan.

It is for these reasons that the minister ought to be aware that the present concept of medicare is dead, before it gets off the ground. The co-operation of the provinces is needed to make it successful.

The Calgary *Herald*, in an editorial of August 5, after the provincial premiers conference, had this to say, in a column headed "Federal Medicare":

> There are several important questions which will have to be answered at a future federal-provincial conference.
>
> Can the poorer provinces afford participation? What happens to the federal requirement of portability if some provinces reject the plan in the final analysis? Does Ottawa have the right to force a compulsory plan on the provinces?
>
> Ottawa's argument, of course, is that the provinces have a choice as to whether they wish to participate in medicare.
>
> But the question of choice becomes a very theoretical point when the provinces will have to contribute through taxes in any case whether or not they participate in the plan.
>
> Ottawa must reconsider its present position and be prepared to make reasonable concessions to provincial objections if there is to be any hope for a workable federal medicare scheme.

That is why I say to the minister that this concept of medicare is dead. If some of the suggestions which have been made are accepted, we may be able to make it survive.

As I said, Mr. Speaker, the minister has selectively ignored portions of the Hall Commission report.

• (9:10 p.m.)

Here are some of the suggestions made in the report of the Royal Commission on Health Services:

> That in view of the shortage of qualified pharmacists in the Atlantic provinces there be established a school of pharmacy at Memorial University, St. John's, Newfoundland, at the same time as the medical school we have recommended and as a department thereof.
>
> That annual professional training grants of $2,000 each be made available to graduate pharmacists

pursuing post-graduate studies in pharmacy. That financial assistance under the Hospital Insurance and Diagnostic Services Act, and under the Technical and Vocational Training Assistance Act be expanded immediately to support any qualified applicants enrolling in courses of training prescribed for those paramedical fields in which shortages exist. On the national level we foresee shortages particularly in the following occupations: medical record librarians, physiotherapists, occupational therapists, speech therapists and audiological therapists, and medical social workers.

I could continue to quote recommendations of the Hall Commission report. It appears that the government has taken one recommendation from that report and tried to put it into effect in isolation. I believe it was the intention of the Hall Commission that all these things should be brought into effect together so that when a medical service plan was brought into being the services and facilities required to make medicare capable of meeting the demands upon it would already be available.

One further point. I should like to quote extracts from a speech made by the Minister of Finance (Mr. Sharp) to the tax structure committee in Ottawa on September 14. This brings a whole new concept to our thinking in Canada in respect to cost sharing programs. I quote from page 7, paragraph 26 of the text.

We must recognize that the continuous and cumulative use of shared cost programs in fields of jurisdiction which are primarily provincial, would result in a greater and greater proportion of provincial budgets being devoted to programs whose costs are shared by the federal government, leading to a continuing influence on provincial decision-making. The result would be to reduce the fiscal responsibility of the provinces, and to hamper them in establishing their own priorities. We must recognize too that the provinces have more and more wanted to assume full responsibility for initiating and operating their own programs, and that their ability to do so has grown demonstrably since the war. This has been especially true of Quebec whose particular social and cultural goals have been a continuing and dominant influence on its approach to federal-provincial relations. A full recognition of these facts and these changes must surely lead to the conclusion that what was suitable a generation ago may no longer be suitable today.

The minister goes on to talk about the setting up of the act which provided for opting out by the provinces from certain federal legislation. He has this to say in paragraph 29:

We have decided to propose an important change in the federal government's approach to shared cost programs.

Then, as set out in paragraph 31—and this deals specifically with social measures—the hon. gentleman said:

It is our view that in respect to the three large and continuing programs which come under provincial jurisdiction, federal conditions should be withdrawn as soon as full provincial responsibility for them can be established. I refer to hospital insurance, The Canada Assistance Plan, and the continuing portion of national health grants. We are considering doing this in two stages.

First, the federal government would invite the provinces to take the first step toward greater fiscal independence and responsibility by accepting a new form of compensation in respect of these programs, effective January 1, 1967.

I quote now from paragraph 34 of the address:

This would be accomplished by escalating the adjustment payments, after a given date, on an objective basis unrelated to program costs. After this date the provinces' compensation in respect of these three programs would increase quite independently of—and almost certainly more rapidly than—program costs, on the formula we will propose. I am suggesting that this second step be taken on April 1, 1970.

At that time the federal government would eliminate the conditions the provinces are required to comply with under the shared-cost programs concerned.

Then, in paragraph 37, the hon. gentleman said:

One of the questions which will properly be asked about these proposed arrangements is what assurance there would be that the hospitalization and Canada assistance programs would be continued after 1970, and that the benefits would continue to be "portable" as between provinces, or that program standards would be maintained. Once major programs like these have been established, no government would discontinue them, because of the needs they fill and the public support they command.

It can be seen from this statement that it is the intention of the government to impose a plan such as the medicare plan on the provinces in such a way that the provinces cannot back out of it when the federal government decides that it no longer wants to be bothered with responsibility for management or for financing. If it is the ultimate goal of the government to turn projects of this type back to the provinces to administer, then I maintain the provinces should be taken into the confidence of the government when these programs are instituted.

It is evident from this statement by the Minister of Finance who, it must be admitted, has a strong voice in cabinet decision making, that it is the intention of the government to force the provinces into commitments with respect to a plan which most of them do not want. Then, when the provinces are stuck

with the plan, the federal government intends to pull the rug from under them—to turn the responsibility for financing it over to them and offer a per capita grant unrelated to the service rendered. Why not make a per capita grant available now and allow each province to develop the medicare plan best suited to its needs?

In conclusion, let me say that I recognize the need for expanded medical services to all people, regardless of their financial status. We cannot offer expanded services unless we have a great many more trained medical doctors available, more trained paramedical personnel, more hospital beds. The government should have given priority to the supply of sufficient facilities and personnel before introducing this plan.

• (9:20 p.m.)

I would hope, Mr. Speaker, that the minister can explain to us how he intends to ensure an adequate supply of these doctors before July 1, 1968. A federal-provincial conference on medicare should be convened immediately so that he can determine from the provinces the type of federal assistance which is needed and is acceptable for the discharge of a purely provincial responsibility—medical services.

Mr. William Dean Howe (Hamilton South): Mr. Speaker, at the outset I should first like to comment on a statement made by the hon. member for York-Scarborough (Mr. Stanbury) who claimed that the New Democratic Party was going to filibuster the bill and thereby hold it up. I think he will have to agree that no political party fought longer and harder for the inception of medicare than did the New Democratic Party. This has not been a fight; it has been a series of promises—47 years of promises which have resulted in a bill which, before it got to the floor of the House of Commons, has already been delayed. So the N.D.P. can hardly be accused of delaying a bill which the Liberals themselves are delaying.

Another matter on which I should like to comment is the old cliché, that there is insufficient personnel to handle medicare at the present time, used by the last two Conservative speakers, the hon. member for Northumberland (Mr. Hees) and the hon. member for Calgary South (Mr. Ballard). I am fed up with this old cliché. This only proves to me the need for medicare. It is an admission that there are people who are not being medically treated, but who should be, and that this failure is due to the fact that we have not had a medicare program to take care of these people, rather than the lack of medical people. This is dividing people into two categories, and results in a condition wherein treatment for illness is dependent upon the financial status of the patient.

I should also like to make one comment in respect of the statement made by the hon. member for Fraser Valley (Mr. Patterson). I do not agree with him when he suggests that integration is more important than medication.

Mr. Patterson: Mr. Speaker, I rise on a question of privilege. I did not say that. I said that unification was something that was more urgent in that it was to come into effect in a very short time, whereas the government has stated that medicare would not take place for a year and a half.

Mr. Howe (Hamilton South): It is hoped that by debating this thing we might possibly get it into effect before 1968. I think it is still more important that we get medicare before us and in effect in this country before we get integration and unification of the armed forces. It is therefore with mixed emotions that I speak on this medicare bill. My emotions are mixed because I am glad to see it get to the floor of the house after these years of promises, but I am not happy to hear of its intended postponement which so far as I am concerned is an act of deceit perpetrated upon the Canadian people. It does show the influence the right wing element in the Liberal party has over the whole party, when this smaller group has had the power to sway the rest of the party. Since it has been promised on many occasions that this country would have medicare by July 1, 1967 most particularly within the cabinet of the Liberal party there must be some sort of small right wing element which has been able to deceive the Canadian people.

I have spoken many times on the different aspects of medicare. I have spoken in the House of Commons and elsewhere pointing out the need for medicare. But this is not what is at stake tonight; rather, it is the disappointing postponement of it with which we are confronted at the present time. I have deliberately planned a play-back of some voices—Liberal voices I might say—to emphasize what an impact this callous postponement of the medicare program must have had on millions of Canadians who, like myself, listened to these voices and dared to hope.

Medicare

I am going to start with this editorial from the Toronto *Star* of May 18, 1966, headlined "National medicare—proud Liberal achievement":

The Liberal government's conclusive commitment to introduce a national medicare program on July 1, 1967—whether all the provinces sign or not—redeems a pledge that has been gathering dust for the past 47 years.

With all the delays, frustrations, and obstruction the scheme has faced since it was first endorsed in principle by the Liberal party in 1919, Prime Minister Pearson can none the less take pride that it is a government under his leadership that will finally bring the program into being.

Well, hon. members, that commitment seems to have been more flexible—to use one of the Prime Minister's favourite words—than conclusive and is, I fear, slated to gather more layers of dust in its own hallowed spot on the shelf of Liberal party dreams. It may be that a Messiah other than the Prime Minister referred to will eventually redeem it.

Writing in the Ottawa *Citizen* on May 18 last under the headline "Medicare Start by July, 1967", Don MacGillivray said:

The big decision, expected to get wavering provinces on the medicare bandwagon by that date, was announced yesterday in the Commons by Health Minister Allan MacEachen.

Mr. MacEachen said the federal government will be ready to pay medicare contributions to any province with a plan in effect on the target date, even though not all provinces join.

We all know now, of course, that it was not the provinces who were wavering. A Canadian Press report in the Ottawa *Journal* of June 8 stated:

Health Minister MacEachen said Tuesday six provinces have given positive indications they intend to take up the federal offer to pay half the cost of medical care insurance starting July 1, 1967.

Not surprisingly, the four wealthiest provinces, Ontario, Quebec, Alberta and British Columbia represent the negative side in this instance. On August 3, a Canadian Press report in the Ottawa *Journal* attributed to the Prime Minister the statement that he foresaw no changes in federal legislation as a result of criticism levelled by provincial premiers during that week. As late as Thursday, the first day of September, hon. members in the House of Commons were assured by the Prime Minister, replying to a question put by one of my colleagues, that medicare legislation did have priority for this session. And that, hon. members, is a factual record of the medicare promises made by the Liberal party during this last few months of the 47 years since the pledge was first introduced.

[Mr. Howe (Hamilton South).]

Surely, in a period of 47 years, there must have been some honest, sincere Liberals who really felt that the Canadian people needed this care. Surely, these have not all been election promises with no sincerity behind them. Has there not been, in all this time, one Liberal Prime Minister with the guts to face the private insurance companies, the medical profession and the corporate elite, and give to the people of Canada a social benefit that is truly needed.

Never before in history, perhaps, has a political party laboured so long to give birth to an important piece of legislation and still managed to avoid the final commitment. We are still dealing with empty promises, promises that were so beguilingly voiced in the last election campaign and, as I have just demonstrated, so faithfully repeated right up to the recent day of betrayal.

It has been suggested in some quarters that the Minister of Finance was forced into scuttling the program as a "dramatic" gesture in order to halt inflation and hold back pressures in other sectors of the economy. In other words, the medicare program which was designed primarily to assist those who lacked opportunities for first-rate medical care was to be laid as a propitiatory offering at the feet of Bay street financiers, insurance companies and, regrettably, too large a group of medical men whose great ethical tradition has been to some degree diminished by self-motivation. As recently as this afternoon I came across a page in the *Monetary Times* of October, 1966. I do not know who the author of this article is, but it is a Parliament Hill report by the Ottawa bureau entitled "Behind the Mockery". In part it states:

• (9:30 p.m.)

Most of the cost of medicare would be a simple transfer payment; money which Canadians now pay to private insurance schemes or directly to their doctors would be channelled instead through public agencies. The additional cost of medicare would be around $100 million at the most in the first year—

a sum so small that it is well within the margin of error which finance ministers allow themselves in calculating their yearly revenues and expenditures.

Sharp decided to cut medicare from his 1967 program for public relations reasons. His economists are more concerned about what they call inflation psychosis than they are about inflation itself.

Reviews to date of this great dramatic production have not all been laudatory, however. Even in the Prime Minister's own party there are, I gather, some disappointed critics, albeit their criticism may be rather less strident following recent disciplinary tongue lashings.

It is difficult to understand the motivation behind this action. Did the Minister of Finance really fear inflationary pressure consequent upon the plan's initiation on July 1, 1967, one year in the future? I think not. He is well aware too, I think, that it was during a period of austerity in Britain in 1948 that a medicare plan was brought in by a Labour government.

Why was medicare chosen for the sacrifice? Why did not the minister think of plugging a few gaping holes in the income tax regulations, or looking into some of those peregrinations on official government business which have been multiplying both numerically and expensively in recent years? On the positive side he might have considered an excess profits tax at this time on inordinate profit-taking.

Whatever its motivation, this grand gesture by the Minister of Finance was a cynical and heartless one. It was also, I might add, perhaps to the minister's credit, singularly lacking in political astuteness. Inevitably this decision will boomerang on the government that so foolishly made it, because I am convinced the people are aware of the fundamental points at issue here and will refuse to be confounded by political twaddle. It is common knowledge that this period of further delay will give much in the way of aid and comfort to the enemies of the plan. They will have many months now in which to train their public relations batteries on the taxpayers—cajoling, frightening and persuading them with a barrage of equivocation, sophistry and evasion. Already the mails bear testimony to this.

There will be a rehash of the same old arguments against the plan. I shall deal with them one by one as they appear in a booklet entitled "National Medicare—Let's Look Before We Leap" authored by the premier of Alberta, one of the reluctant provinces. The Alberta government administers a scheme of subsidized prepaid medical insurance which, by the premier's own admission in the booklet referred to, covers little more than 80 per cent of Albertans. We are left to wonder what happens to the remaining 20 per cent who represent 47 per cent or nearly half of those eligible for a subsidized premium. It must be assumed that this half of the less affluent group are either unbelievably healthy or, unable to pay even a subsidized premium, are suffering for lack of an adequate and freely available medical care plan. Parenthetically I would suggest a comparison here with the figure of 99.87 per cent for medical care coverage in Saskatchewan.

Naturally Mr. Manning's primary concern in connection with the proposed national plan is not with money, funny or otherwise. He points sublimely to the right of each citizen to exercise freedom of choice in matters relating to his own and his family's welfare. For the premier's information, it has never been proposed that we institute a system of state medicine in this country. Under medicare there would be complete freedom of choice and the service would be based on self-governing professions and institutions. The patient would choose his own doctor just as the doctor would be free to accept or reject the patient, except of course in cases of emergency. The only people who would want to plead a case for freedom in connection with medicare are those reactionaries who fear that medicare is an extension of a right—and I emphasize, a right, not a privilege—to too many people too soon.

They choose to ignore the contemplation of freedom in its broader context of freedom "from", not just freedom "to". In this case it is freedom from sickness and ill health, not just the freedom to buy health as lavishly or whimsically as one's purse will allow. Health signifies the ultimate security for the individual and, as such, is a right not to be misconstrued as a privilege.

The second argument is: Are you as taxpayers in favour of governments spending your money to pay for medical services for those who can well afford to buy their own medical insurance? It is true that many people are covered by one form or another of group or private insurance. The premiums for this insurance are much more expensive than they would be under a government administered plan, but at least they are covered. However, according to the report of the Royal Commission on Health Services, over

7.5 million or 41 per cent of the population had no medical insurance whatsoever in 1961, and for some three million more coverage was considered totally inadequate. This is so after 35 years of endeavour on the part of voluntary plans as well as those of commercial insurance companies.

In considering the costs of the scheme we should always keep in mind that expenditures will simply be transferred from the private to the public sector of the economy. It has been estimated that the total extra cost to provide complete universal coverage would amount to a sum variously estimated between $60 million and $90 million. In a $55 billion economy this is not, by any stretch of the imagination, to be considered an intolerable strain. Most of this merely represents people who cannot afford medical care at present.

We are asked to consider the point that medicare will produce excessive demands for services. It is probably true that there will be a backlog of cases coming forward in the early months of the plan's inauguration, and somehow they will have to be looked after on a priority basis. This priority establishment is properly the responsibility of the doctors themselves. They must see that patients are treated according to their needs and not according to their pocketbooks. For too long, perhaps, the well-to-do hypochondriac has monopolized medical attention.

I am, of course, very much in agreement with Mr. Manning when he urges the government to spend more on research. It is only when he makes point number four, expressing his fear that expenditures for long-range research will be subjugated to the political expediency of further expanding the immediate services which count most with the electorate, that I take emphatic exception.

It is true we are behind other nations in research. When Mr. Manning says we should be spending at least $100 million a year in this field I am delighted with the breadth of his vision. We would be satisfied with much less than that, because at present our expenditure of moneys provided by this government amount to 90 cents per capita as compared to $6.50 per capita in the United States. This causes a brain drain from Canada to the United States where there is money for research allowing projects to be carried to a conclusion.

I heard on the radio this morning that a doctor in Chicago by the name of Huggins was awarded the Nobel prize for medicine as a result of research done at the University of Chicago. This man is a Canadian-born and Canadian-educated scientist. He was awarded a medal for work done in the United States, and I suppose he went there to carry out this work because we do not supply sufficient money in this country for research.

Mr. Manning is no doubt as disappointed as I am with the proposed cut in the rate of increase for the next fiscal year. This is no way to ensure the vastly improved climate for research which is absolutely necessary if we are to staff expanding medical schools across the country. Only when we are able to attract competent teacher-scientists to staff these schools will we be assured of an adequate supply of new doctors.

• (9:40 p.m.)

Let me refer to a local matter. In the city of Hamilton McMaster University is starting a medical college which, it is hoped, will be in operation in 1969 with new modern facilities, and it has the money to build these facilities. There are pre-medical students now taking their Bachelor of Science degree at this university. The university has some very progressive ideas with regard to graduating students. With the reduction in the supply of research funds available there is some doubt whether this university will be staffed adequately to teach medical students who would otherwise have sufficient facilities to graduate under an entirely new scheme—which I will not go into—on a speeded-up basis, which has been highly recommended. This scheme cuts down on the length of time taken for graduation. As a matter of fact, this university is cutting down the graduation period from four years to three years by reducing the summer holidays to two weeks rather than the usual four or five months.

Top-flight teachers of this type will never be induced either to come to this country or to stay here until an improved research atmosphere is established on an assured basis. In other words, Mr. Speaker, research people want to be assured that funds will be available with which to carry on the programs they start, rather than starting a program and being frustrated by the fact that there are insufficient funds to complete the work they started. Here again the threatened cut in the rate of increase will amount to a picayune sum in the context of the entire economy. It will be hard to justify it as a counter-inflationary measure. Equally hard to defend is Mr. Manning's contention that money spent on medicare will of necessity have to come from research expenditures. Research is a vital

part of the medicare program, adding modestly to its cost to enrich its quality.

Many of the points I have dealt with in defending medicare were very succinctly expressed by Dr. Samuel Wolfe, medical director of the Saskatoon Community Health Services Medical Clinic, in his address delivered at the Chateau Laurier last November before the working conference dealing with the implications of a health charter for Canadians. I should like to read this very appropriate excerpt from that address:

> There has been a lot of nonsense spoken in recent years about government sponsored medical care plans, and their supposed evils. I have had the good fortune to serve for close to four years as a commissioner of the Saskatchewan medical care plan, and while I do not pretend to speak for the Commission, I feel free to say that we have exploded a lot of myths. First, the myth of administrative cost when a plan is run by government. The fact is that the cost of operating the Saskatchewan plan has been about 6 per cent. The Hall Commission showed that the private insurers of Canada used 28 per cent of every dollar for purposes other than paying benefits. Second, Saskatchewan's plan provides broader coverage than any other plan in Canada, and for example, includes psychiatric care by private physicians, and preventive check-ups. Third, Saskatchewan's plan pays doctors' bills faster than any other plan in Canada. Fourth, the costs of Saskatchewan's plan have risen more slowly than the costs of private plans over the past three years. Fifth, demands for service have risen only modestly, and evidence suggests that increased services may be due more to doctors' decisions than to patients' demands. Finally, the pet myth that free selection of doctor by patient and patient by doctor would be interfered with, has been exploded.
>
> The Saskatchewan experience to date proves that medical care, as one component of social security, can be entrusted to a government agency, with loss of neither individual nor professional independence. Freedom is widened, not narrowed, when the man who earns $40,000 a year pays more for public medical care insurance than does the man who earns $4,000 a year.

I should like to speak very briefly about what I consider to be some of the shortcomings of this bill as it is introduced. There are many other practitioners of medicine, aside from medical doctors, who are involved in the care of people who are ill. These include—I am touching on only a few—psychologists, chiropractors, optometrists, dentists and many other paramedical groups.

Psychologists serve an extremely useful purpose in the treatment of a large percentage of both children and adults who could otherwise be very demanding on the overworked medical profession. Realizing that many medical illnesses are of a psychological nature, psychologists are not only treatment specialists but serve to relieve the already overburdened profession which has many other phases of medicine to deal with. These practitioners of course require consideration in the bill before the house at the present time.

Then, too, many people are treated by chiropractors, who have also been significantly omitted from Bill No. C-227. Another group of the so-called drugless practitioners, who are highly recognized in our medical society, are optometrists. The hon. member for Simcoe East (Mr. Rynard) has mentioned optometrists but I am going to mention them again. The omission of optometric care is a drastic one not only for the care of people's eyesight but again because of a release of the burden on the already overworked ophthalmologists. Almost 6 million Canadians need visual care that cannot conceivably be handled by other than 1,500 optometrists in Canada, and certainly cannot be treated by the only 300 ophthalmologists. It is therefore my strong recommendation that the definition of medical practitioner be changed to include the optometrists of Canada. It goes without saying that there is an extreme need for dental care, which should be included in this bill on a basis equal to that of medical care.

If Liberal amendments go through, medicare will be postponed at least until 1968; and how do we know it will suit them any more in 1968 than they now think it will in 1967, when it is now 1966? I should like to quote from an editorial which appeared in the Hamilton *Spectator* of October 11. The editorial is entitled, "Medical Inevitability" and reads in part:

> —Canada's ruling party was telling itself that it was all right to breach the promise made during the election only 11 months ago because circumstances had changed, but that it can promise that circumstances will not change during the next 12 months.

The editorial goes on to say:

> The cabinet has thus made itself accountable to the collective minor officialdom of the Liberal party instead of remaining primarily accountable to the people of Canada.

If the amendment the Conservative party has moved were to pass—and I am sure it will not—this would not only get rid of the plan for a year and a half in order that we may think it over, but I am afraid it would get rid of the plan forever. I do not think that even the Tory party can stop this progress that other people in our country are trying to make. It looks as though neither of these parties is willing to face private insurance companies and give the Canadian people any real social progress.

Medicare

• (9:50 p.m.)

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, the present bill, namely Bill No. C-227, invites us to improve health conditions and assist the sick. Those two reasons are worthy of praise, all the more so when we know that disease constitutes, for both Canada and Canadians, a loss of time and money.

In 1963, sickness caused a loss of 100 million man-days, that is more than $1,600 million, or 3.8 per cent of the G.N.P. In comparison with this, industrial strikes do not represent even 1 per cent of the losses caused by sickness.

The provisions of Bill No. C-227 show us how the central government intends to contribute to a provincial medicare plan, that is by paying 50 per cent of the cost if a province satisfies the four following conditions: first, the program must be administered by the state or a non-profit organization; second, it must be universal in character, that is it must apply to at least 90 per cent of the population; third, it must be transferable, and fourth, it must cover all medical expenses.

I am examining these various conditions, Mr. Speaker, and I shall have occasion to come back to them at the end of my speech. But I wonder if these four conditions in themselves justify an intervention by the central government in the field of medicare. I personally feel that the provinces, separately or together, could easily have drawn them up and agreed thereto, especially now that the Canadian provinces meet annually, at a provincial Prime Ministers conference, and in view of the fact that interprovincial co-ordination and co-operation are gaining favour across the country.

It seems as though the central government were good-humouredly playing at Santa Claus several months ahead of time, offering the provinces money and setting conditions as if the provinces were children, backward little girls unable to organize their wardrobe themselves. This, Mr. Speaker, is the continuation of the unrestrained centralization practised by the present government in all fields and, it seems, despite the very eloquent statements made last night, according to press reports, during a celebration closing the conference of the Canadian Liberal party, when that party said: as long as we do not amend the Canadian constitution, we must respect it. This statement made the headlines of several newspapers.

[Mr. Howe (Hamilton South).]

There was also the right hon. Prime Minister (Mr. Pearson) who as it were added, in a sort of speech which he alone can make, in speaking of the Liberal party and of the Liberal government in power: We do not intend to nor must we encroach upon or destroy the powers and the jurisdiction allocated to the provinces under the constitution. A wonderful statement, Mr. Speaker, which was made quite recently, as a matter of fact only last night. There you have the theory, there you have the statement, but today you have a concrete example of this systematic inconsistency because a motion was made for second reading of a bill which goes against the spirit and the letter of the Canadian constitution which allocates to the provinces, solely and exclusively, the fields of insurance and hygiene.

This is why, in this house, since January 18 last, we had the feeling of plunging further into a constitutional chaos in which this government places us continuously. This government refuses to set up a parliamentary committee to review our Canadian constitution. It denies the hon. members of the house and the law-makers of this parliament the right to amend this old text dating back to 1867 in order, it seems, to adapt it—may I call it ten o'clock?

Mr. Speaker: I am sorry, but I do not think that the hon. member may call it ten o'clock immediately. However, this is not why I intervene. I simply want to remind him that at the present time we are discussing a bill which deals with establishing medical care in Canada and it seems to me that his speech at the present time is not closely related to the principle of the bill which we are considering at this time. The hon. member may still be making his preliminary remarks and, if such is the case, I invite him to come as soon as possible to the substance of his speech.

Mr. Allard: Mr. Speaker, when I close my remarks, this evening or tomorrow, you will find that this is the basis of my argument which is fully related to the substance of this bill and to the debate on medicare.

I simply wanted to point out in the premise—I will come back to that at the end of my remarks—that this legislation is another centralizing, anticonstitutional measure, and those are areas and conditions which should

be established by the provinces and not be imposed on them, as if they were only wards of the central government.

If we consider the provisions of the legislation—and several members raised the matter tonight—various questions may be raised to which the Minister of National Health and Welfare (Mr. MacEachen) has not yet replied. We hope that when he makes a statement, he will dispel our anxieties on various matters, as he himself and his government have decided to go ahead in the field of medical care.

Do we have enought doctors? Do we have, in Canada, the necessary medical schools? Do we have enough hospitals, laboratories and staff to overcome the effects which such a legislation would create in the field of health and in the country?

Mr. Speaker, may I call it ten o'clock?

[*English*]

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to put a question to whoever is acting house leader tonight in regard to the business of the house tomorrow. May I offer the suggestion that in order to have a quiet day in the house maybe we should take up a non-controversial subject such as the estimates of the Department of National Defence.

Mr. Knowles: That is a spurious suggestion.

Mr. Hellyer: Splendid.

Mr. MacEachen: Mr. Speaker, my instruction from the house leader is to indicate the continuation tomorrow of the present subject matter, and if we finish that to continue with Item No. 48, house in committee of the whole on Bill C-218, to be followed by the second reading of Bill C-220, respecting the Immigration Appeal Board.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

OLD AGE SECURITY—INQUIRY AS TO LEGISLATION THIS SESSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Wednesday, October 5, as recorded in *Hansard* at page 8348, I put to the Prime Minister a question that was supplementary to one that had been asked by another member, in which I used these words:

> In view of the concern being expressed in the country, may I ask the Prime Minister whether consideration is being given to providing for an old age pension increase without imposing any test or limitation?

The Prime Minister replied as follows:

> Mr. Speaker, the hon. member should wait until the resolution is introduced; his understandable curiosity will be satisfied at that time.

My reply was:

> I think I shall have to satisfy my curiosity at ten o'clock.

I have had to wait not only from the afternoon until evening but some eight days to get my question before the house during one of these late shows. In the meantime, Mr. Speaker, several other members have asked questions about the proposal to supplement the old age pension by $30 a month. Questions have been asked as to the effective date and various other details. Every time these questions have been asked the reply has been that members should wait until the legislation comes before us when the details will be disclosed. Well, the main outline of the government's proposal was given to us by the Minister of National Health and Welfare on July 14 of this year. I suggest, therefore, that it is a bit of a cat-and-mouse game to suggest that we wait for the details if those details are simply going to be along the lines announced on July 14.

What we are asking for, and the government knows it, is a reconsideration of some of the fundamental points in the program announced by the Minister of National Health and Welfare. My question to the Prime Minister was one of those questions. Is consideration being given to providing for this increase without imposing any test or limitation? I hope the minister tonight will not give us one of his usual speeches about the number of times the Liberals have increased the old age pension, and all that kind of thing. I hope he will address himself to the question, and I make it as simple and as direct as I can. Do I hear the hon. member for Parkdale making a reference to 1919?

Mr. Douglas: His conscience is bothering him.

Mr. Haidasz: I was not here in 1919.

Mr. Knowles: I suggest that if the hon. member's conscience is bothering him he might see a psychiatrist, if he can get one under medicare.

I ask the minister the direct question: Is the government reconsidering the matter of the test that the minister announced on July 14? As I tried to say to him on that day, and as I have said on different occasions since, it will be another major mistake of the Liberal party if it, in effect, goes back to the means test. We have had a debate today on what I think is a major mistake of the Liberal party in effect, bring back the means test, this will suffer seriously because of this. I say that if it is going to provide pension increases which, in effect, bring back the means test, this will be a mistake for the Liberal party and it will be a mistake for Canada. I can tell him that, just as certainly as it is after ten o'clock tonight, the next few election campaigns will be conducted around an effort to get rid of that means test.

Now, there is no point in the minister telling us that what he proposed is not a means test. There is no point in trying to give it some other name. The means test was not the official name of the test that applied under the old age pensions act from 1927 to 1952. It was in effect a kind of income test, at a very low level. "Means test" was the popular phrase which was applied to an arrangement under which people did not get the pension if they had certain other income.

Therefore, Mr. Speaker, I submit that if that kind of test is put on the $30 that it is proposed to add to the $75, we are going back to the means test of unhappy memory which at long last we got rid of starting in 1952. I suggest that it would be a political and social mistake, and that it would be quite unjustifiable to go back to it.

Our people need this increase in their pension; no one will deny that. We can afford it, and no one can deny that: The money is there in the old age security fund. But our old people also have the right to their dignity and self-respect and they will not have this if we impose a means test on a portion of their pension.

I am glad to know that we will get a pension increase during this session. It was good to get that clear statement from the minister this week. I plead with him not to spoil that increase by the indignity of a means test, and I plead with him to say to us tonight that the government is prepared to reconsider this aspect of the proposed pension increase. Let us have an increase across the board for all our senior citizens.

[Mr. Knowles.]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, in reply to the question posed by the hon. member for Winnipeg North Centre I want to assure him that it is not the intention of the government to reconsider this particular decision. Because we are commencing in Canada in its application to recipients of old age security a new concept—the concept of a guaranteed annual income. This is the most modern concept in social welfare thinking and economics, and we think that we ought to move ahead and abandon some of the older concepts which, though good in their day, may not be as applicable now as they were formerly.

I appeal to the member for Winnipeg North Centre to watch the danger of slipping into Tory thinking. The hon. member for Winnipeg North Centre believes that everything that was decided on 30 years ago or 20 years ago must be valid and applicable in 1965, 1966 or 1967.

Mr. Knowles: It was the Liberals who instituted the means test, not the Tories.

Mr. MacEachen: I do not accept this view. I think we have to change and move ahead. We have a new, modern concept of a guaranteed annual income. We will be the only country in the world that I know of which is making a start in the application of this concept, and we are applying this concept to the recipients of old age security. The hon. member is setting up a straw man. He says it is a means test.

Mr. Knowles: Hear, hear.

Mr. MacEachen: It is not a means test. It was never proposed as a means test. I hope that when the plan is fully unfolded we will be able to convince the hon. member for Winnipeg North Centre that we are applying an income test, something which was strongly supported by his deputy leader who advocated in the house not long ago the desirability of having an income test approach to these matters. I am glad his deputy leader is moving ahead and I hope that the hon. member for Winnipeg North Centre will catch up with him before we get into the house on this bill.

Mr. Knowles: It is still a means test, and the minister knows it.

Mr. Dinsdale: An exercise in semantics.

AGRICULTURE—MILK—ANNOUNCEMENT OF INCREASE IN SUBSIDY TO PRODUCERS

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, a few days ago I raised the question of the manufacturing milk subsidy, along with the statement made by the Minister of Agriculture on September 9. I regret very much that the minister is not in his place tonight, and I say that with every deference to the parliamentary secretary who has to take the minister's place.

• (10:10 p.m.)

I am raising this question because on reading the minister's statement I could not see anywhere in it that the minister was satisfied that the producers of manufacturing milk were in fact to receive $4 per hundredweight for their product. This is a serious matter, because we know how the minister has played with this situation since the last election campaign. It was he who made the promise that producers of this product, in essence, would receive $4 per hundredweight for their milk.

We know that this has not happened. All of us, including the parliamentary secretary, well know what the differential was and why it existed. We, too, had a policy to offer to the producers of this product. The point is that the minister and the government did not fulfil the promise that was made to these producers. The minister and the government know this full well. It was not until pressure was applied by farm organizations, particularly in the province of Ontario and the province of Quebec—where a somewhat similar situation arose, with a small exception—that the matter was brought forward.

I am rising because the minister would not give me the information I requested and, of course, because Mr. Speaker on that day would not permit the minister to answer, saying that this was a more appropriate time. I have the minister's statement here. In no way, and nowhere in his statement does he assure the producers that they will receive this much money. In fact, Mr. Speaker, had it not been for the ministers of agriculture in the provincial governments of Quebec and Ontario coming to the assistance of the federal Minister of Agriculture at this particular time in question, the producers still would not be receiving that which was promised in his last election campaign. Such a thing is regrettable, but it shows one of the ways in which this government has been acting. Someone always has to bail it out from problems it has got itself into.

The Windsor *Star*, which is a paper not noted for its support of the Conservative party, gives full credit to the provincial ministers concerned for what has happened with respect to these producers.

I said at an earlier date that I believe that constitutionally the responsibility for the payment of this subsidy is that of the federal government and I cited my authority. The minister questioned what I said at that time. However, an article in the newspaper I have mentioned points out that quite likely the minister has now realized that the constitutional authority for the payment of this subsidy lies with the federal government. That newspaper article also states that probably the producers will receive more than the minimum undertaking; and if that happens, the credit should go to the two provincial ministers, not to the federal government.

What I want to learn this evening from the parliamentary secretary is whether he has the authority to make a statement assuring the producers of manufacturing milk in the provinces of Ontario and Quebec that they will in fact receive a minimum of $4 per hundredweight for manufacturing milk?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish I felt constrained to thank the hon. member for Grey-Bruce for his question which, to me, is slightly irresponsible. The question asked of the minister was whether he would assure the house that the milk producers in the province of Ontario and in the province of Quebec will, as the result of his announcement, be assured of $4 per hundredweight of manufactured milk.

I wish to draw attention to the words "be assured". The word "assure" means "guarantee". I did not—

Mr. Winkler: That is what he did during the election campaign.

Mr. Beer: It is my submission that to use the word "assure" would be absolutely irresponsible, and the minister, I know, would not make a statement of that kind. I should like to give two or three reasons to the hon. member for Grey-Bruce why it would be altogether irresponsible to guarantee to farmers a price of $4 per hundredweight. If we were to guarantee $4 per hundredweight for manufacturing milk it could only be done by entering into an offer-to-purchase program. This would remove from the milk manufacturing and processing business all initiative

for the marketing of the product through distributors. Such action would be quite irresponsible.

Again, the marketing of milk does not come under federal jurisdiction; it comes under provincial jurisdiction. Milk is produced in Ontario or Quebec according to standards established by the departments of health in those provinces. In the second place, it is hauled by motor vehicles licensed by the provinces in which they operate. These are at least two reasons, in addition to what I have already said which make it clear that it would be irresponsible for a federal minister of agriculture to guarantee $4 per hundredweight to producers at the farms.

Mr. Winkler: He made the promise and it is a simple matter to implement it.

Mr. Beer: One should review the program which has been in effect. This creates a climate which will enable farmers to get $4 per hundredweight. The federal support program as established on April 1, 1966, was designed to provide an average price to producers at the factory of $3.25. If we add to this the 75 cents federal subsidy, we arrive at a figure of $4. Then on September 9 the stabilization board raised its butter selling price by two cents a pound which is equivalent to eight cents per hundredweight of milk. The total comes to $4.08. On October 1, 1966, the government of Ontario introduced a producer subsidy of 25 cents, bringing the total to $4.33.

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the parliamentary secretary, but the time allotted to him has expired.

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, October 14, 1966

The house met at 11 a.m.

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second Report of Standing Committee.

Mr. Herbert Gray (Essex West): Mr. Speaker, I have the honour to table the second report of the standing committee on finance, trade and economic affairs, in English and French.

[Note: *Text of the foregoing report appears in today's Votes and Proceedings.*]

• (11:10 a.m.)

[*English*]

IMMIGRATION

TABLING OF WHITE PAPER ON GOVERNMENT POLICY

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, it is my pleasure to table today a white paper on Canadian immigration policy. It is bilingual and probably multicultural. In doing so I would like to express my sincere appreciation to those who have worked on the preparation of this document; some have done so not only this year but also during 1965 under two of my predecessors.

No one who understands the immigration problem will be surprised that this white paper could not be produced quickly and easily. Immigration policy depends on a complex interrelationship of economic, social, humanitarian, legal and international considerations. There are few issues, indeed, that bring into play so comprehensively all the delicate balances and tensions of our Canadian society.

Our problem is to avoid the ill consequences of these inevitable complexities. Immigration policy and procedures have to adjust to changing circumstances. The natural tendency, when the issues are so difficult, is to make the adjustment by small, partial, ad hoc modifications. And as these accumulate, immigration procedures tend to become complicated, confused, uncertain, even contradictory.

I hope we can all recognize this problem without partisanship. The difficulties I am talking about have been at work under all governments, irrespective of party label.

We will cure them only if we are prepared from time to time to take stock, to reassess our policy and sort out our procedures, to develop a new synthesis as the basis for an immigration policy suited to contemporary needs.

The white paper is an attempt to do that. I do not expect it to be accepted without criticism. Immigration touches too many emotional issues to be clarified without dispute. I believe, nevertheless, that most people will find that the synthesis we have developed in this white paper meets the main needs of Canada today while taking reasonable account of all legitimate special interests.

I would like at this stage merely to draw attention to three main features of the policy I propose. First, it is expansionist. It seeks to establish the basis for a steadily active immigration policy adapted to our manpower needs, a policy that will assist Canada's growth by bringing here every year a good number of people able to adapt to our society and qualified to contribute to our economy.

Second, it is non-discriminatory. It establishes principles and procedures that can and will operate entirely without regard to race, colour or creed. I do not mean that it is in our power to ensure that geography will make no difference at all to people's chances of coming to Canada. We have to take account of the differing attitudes to emigration among other governments and peoples. There are practical limitations on our side. We cannot afford to establish the same facilities to assist immigrants in countries where the facilities will be little used as we have in countries where they are in heavy demand.

These, however, are practical problems, to be treated as such, to be overcome as much as possible. There will be no discrimination by principle and no practical differences that are within my department's power to remove.

Third, the white paper policy establishes, for the future, a new balance between the claims of family relationship and the economic interest of Canadians as a whole, which is that immigrants should generally be the well

qualified people for whom employment opportunities are increasing.

[*Translation*]

Where there are at present some anomalies in the range of relatives who may be sponsored, these will be corrected by broadening the range. Canadian citizens, and other people who are already here as landed immigrants, will be able to sponsor everyone they now can, and a few additional classes of relatives, with the one reservation that those who are going to be entering the labour force must have either some needed skill or the equivalent of an elementary school education.

The effect of this limitation will not be to reduce the number of sponsored immigrants entering Canada. Its purpose is only to remove from the sponsorship system its present potential for explosive growth. If that were not done, we would face the danger of admitting to Canada an ever-increasing number of people for whom our economy will offer not more but fewer employment opportunities.

The sponsorship rights of Canadian citizens will for the first time have full legal recognition, with an appeal board that can over-rule the Minister's decisions. And, of course, the new immigrant will be able to bring to Canada, without waiting for his citizenship, the members of his immediate family who are or become dependent on him.

I am sure, Mr. Speaker, that the house will wish to explore these proposals with care and consideration. I would therefore say that I intend to propose that the white paper be referred for study to a special joint parliamentary committee which would be able to examine the issues in the depth that their importance requires.

[*English*]

Hon. R. A. Bell (Carleton): Mr. Speaker, this white paper has had a very difficult and very tardy birth. Conceived by the Prime Minister as long ago as December, 1964, and promised before the next following session of parliament, it has taken 21 months and three ministerial midwives to bring it to delivery today. Can hon. members detect anything in the minister's statement so novel or startling, any such great policy innovation, as would have required this inordinate delay? I have difficulty in believing from his statement that the white paper lives up to all the trumpeting advance notices which there have been.

[Mr. Marchand.]

Indeed, as I listened to him what I feared was that what the minister gave in the white paper with one hand he took away with the other. I want to put it straight to the minister, Mr. Speaker, that Canada needs a dynamic, positive immigration policy. A passive immigration policy is self defeating; and pious expressions, window dressing or lip service will not serve the national interest. This country must recognize the economic and social advantages, both immediate and long range, of a sustained high level immigration inflow. I am personally an unrepentant expansionist. The minister today tells us that this policy is expansionist, but then he enunciates what I suggest is a policy which will not bring any additional immigrants to this country.

Obviously a white paper of this size and this basic significance will require detailed study before comprehensive and perceptive comment may properly be made upon it. But the real test, I want to say, will come when the government introduces, as I hope it will do at the earliest possible date, a complete revision of the Immigration Act. Then we will see if actions equal professions. We on this side are anxious that immigration be sustained at a relatively high level, a uniform level, and become a permanent instrument of national economic policy designed to give stimulus to all facets of the economy. We seek to end the feast and famine, tap on tap off, approach which has been a curse in the past.

• (11:20 a.m.)

The minister has said a great deal about this policy being non-discriminatory. I am sure his objectives in that respect will receive the hearty endorsation of all members of the house, though I am compelled to say that the way this country renounces discrimination reminds me of Mark Twain swearing off smoking. He said that it was easy; he had done it scores of times. In my view the greatest milestone of real advance in non-discrimination was the new regulations which were introduced four and a half years ago by Hon. Ellen Fairclough, one of the great ministers of citizenship and immigration.

I agree with the minister that in this age there can be no tolerance of any discrimination on racial, religious, colour or national grounds. But it is not enough to end it in theory; it must be ended in practice. I point that it is not just a matter of admission. The real essence of non-discrimination is to make every immigrant feel that he can become a

full and equal Canadian; that there are no master races in Canada. The full potential of this nation will be built upon the strength of immigrant peoples; and for all of them, from whatever shore they come, there must be full and absolute equality as Canadian citizens, not some secondary status which is subordinate to people of other origins.

What the minister has said about sponsored immigration causes me very considerable concern. The minister stated that he was making some basic changes, but what he said sounded to me excessively restrictive. It is clear that he has introduced into sponsored immigration the whole question of skills.

In order to get sponsorship on a balanced basis from all continents, what he has done is to take away from some. He said he has made no change. In fact, Mr. Speaker, when you examine his statement carefully it becomes quite clear that he has severely restricted sponsored immigration from certain of the countries where it is now at a very high level. If I understand the minister aright, and I think I do, there will be many heartbreaks and much anxiety and unrest over this new policy.

The minister during the last week publicly made some very inconsistent statements about skilled and unskilled immigration. Our immigration cannot be restricted solely to skilled persons. I wonder how many ancestors of the members of this house would ever have entered Canada if admission had then been restricted to skilled persons. I say, Mr. Speaker, that we must be realistic about this question of skills and sponsorship. There is a role for persons without special skills, and we must not by selective standards or restrictions on sponsorship discriminate in fact against admissions from many countries in the world.

I hope that in the committee there will be an exhaustive study and a vigorous discussion of the white paper. I also hope there will be vigorous discussion of this white paper by informed persons in all parts of Canada. But I suggest to the government that they should now introduce the bill to revise the Immigration Act so we would have it before us in the committee as well as the white paper. This would enable knowledgeable persons to be heard as witnesses and all would be given a chance to make a contribution, not only to the development of this policy but to its implementation, in a fully revised immigration act.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we in this party welcome this white paper. If I may adopt the metaphor used by the hon. member for Carleton because of the very long period of gestation we would have been inclined to welcome it even if we had thought it was an ill favoured document. However, I must say that it is a white paper which should not be so described. I cannot help recalling that the various Conservative midwives failed to produce any white paper at all.

We promise and urge the most intensive scrutiny of this at the earliest possible time in the appropriate committee of the house, for the earliest possible embodiment of some of the proposals in the white paper in legislative form. We say this because we believe this bill may foretell a very serious and important improvement in immigration procedures in Canada.

Mr. Speaker, we welcome, first of all, the fact that this white paper is expansionist in outlook. This is as it should be. This country in the future, as in the past, must depend for its growth and prosperity on the welcome and intelligent expansionist policy in Canada to those whom we can attract to this country.

Second, we welcome that part of the bill which is non-discriminatory. This is very important to the good name of Canada, and this is something we have not achieved in the past. It is very important that we not only change the regulations in regard to sponsorship which the white paper suggests, but we should go further and change those provisions in the act which lend themselves to continued discrimination. Also, while mentioning this subject of sponsorship, there are some matters here that we want to look into very carefully.

I also notice in one part of the paper relating to this matter that it is suggested that non-citizens who are permanent residents will have the same sponsorship privileges for the next six years, but thereafter non-citizens may sponsor only dependent relatives. This seems an odd compromise. If it is a good policy it should not be for six years but should stay indefinitely. If it is bad policy it should not be in for six years. This is a compromise. We want to look into the sponsorship provision very carefully, because it is important to get skilled people here, and skilled people will not come to Canada unless they are given reasonable opportunity to sponsor their relatives into this country. We want to make sure we are not being discriminatory in that way.

One last point I want to make is that unless effective changes are made in procedure, the whole thing may be illusory or delusory. Today we have quite a fair immigration act and quite good regulations. The minister and the machinery exist. But if by a simple fiat people can be and are excluded, the administrative machinery can defeat the best intentions. We propose during the scrutiny of these matters to make sure that the procedures coincide with the basic principles of elementary justice, which has not been the case in the past. We invite the co-operation of all members of the house. This part is not too clear, but we want to make sure that it becomes clear.

Finally we welcome the fact that the white paper proposes a change which we feel is essential; that is that the minister's discretion, which cannot but be exercised from time to time on political grounds, is now to be handed over to a judicial tribunal. There is a necessity for discretion, and no amount of rules can get over the human complexities of the problem, no matter how well worked out those rules may be. But the right of exercising discretion should be in some entity other than the political authority. Many of the scandals and difficulties of the past have arisen because of our failure to regard this rule.

In summary, Mr. Speaker, we welcome this white paper, and we offer the full co-operation of the members of this party, some of whom have had experience in this matter over the years. We do this in the hope that this white paper is not a stillborn child. We hope it will grow into an effective change of policy.

• (11:30 a.m.)

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, our group wishes to congratulate the minister for speeding up as much as possible the tabling of that white paper.

Of course, like any other citizen, the minister must base such policies on human principles. I note that the minister stated, not only in the highlights of his plans about immigration but also in his remarks a little earlier, that the Canadian policy on immigration did not discriminate with regard to colour, race and religious beliefs.

The minister could just as easily have said that, from a humanitarian point of view, there are no frontiers, all people are equal.

[Mr. Brewin.]

However, Mr. Speaker, any organized society is governed by regulations, and frontiers may be said to represent the scars of living history, both present and past. In a society of this type there must be regulations.

And I see that government policy tends to bring down as many barriers as possible to do a service not only to the Canadian people but also to citizens from beyond our frontiers.

However, Mr. Speaker, we should not act hypocritically when I hear the minister talk about allowing a greater number of skilled immigrants. Nor should we apply any discrimination. And here perhaps I see a problem. The Department of Immigration and the government in power at any given time will be faced with a problem dealing with underdeveloped countries and it will be impossible for us to invoke hypocritically the following saying or principle: Let us serve ourselves by helping others, or by serving others. What I mean by this is that there are underdeveloped countries with which we exchange students in order to give them at least skilled labour, and very often we find that those people return to their countries and immediately apply for residence in Canada as Canadian citizens. Therefore, in the long run we are not helping those underdeveloped countries.

In our immigration policy, we must also consider the humanitarian angle. If we help them today, let us make sure that we will never lose sight of the reason why we did it. The minister will admit that, under the circumstances, a problem might arise. Of course, in such a bill it is one out of thousands which will come up. On the other hand, I am happy that, with his new immigration policy, the minister seems to realize that the people are a country's true wealth and that he will try more and more to bring human capital to Canada, which will truly develop our nation from all points of view and I hope that, in due course, he will try to keep foreign capital away, because the true wealth of a country is its human capital and its productive value. Such a policy does not mean, for instance, that we will open the door to everyone. Let us welcome suitable people and try to keep out the undesirables.

And, Mr. Speaker, I would like to insist on the fact—I do not see it in the white paper and, of course, I have not had time to study it thoroughly, but that will come when the bill is introduced in the house—that as much as possible the provinces should have a say in the matter, the federal parliament should not

behave as lord and master but ask the advice of the provinces, and find out what their needs are. If they have no need for it, let us not overlook the governments dependent on this one; I mean the provincial and municipal governments, the school boards or any organization which might be interested in immigration, either directly or indirectly. I think that the minister did not mention, at least not explicitly, his intentions on that score. However, I know the Minister of Manpower and Immigration and I am convinced beforehand that he has already thought about that problem. It would prevent a lot of discussion on the matter, which is so complex, if we sought more and more the advice of the provinces where those immigrants would live.

I see that the minister has given himself a trial period of six years. Anything can be expected. In the meantime we must keep our eyes open, make the necessary changes and come up in the end with an immigration policy which will benefit our country and all mankind.

[*English*]

Mr. R. N. Thompson (Red Deer): We in this party congratulate the Minister of Manpower and Immigration on having brought in this white paper. I think we all realize it has been a long time coming, but it certainly fills a vacuum which has been developing over the years in this field.

I am particularly pleased with the last paragraph of the minister's statement in which he says it will be necessary to explore these proposals with care and consideration, and that to assist in doing so a special joint committee will be set up to study the white paper before any legislation is drafted. I think this is a wise move, and I hope the minister will see that this committee is set up as soon as possible so there may be additional opportunity for a thorough study before legislation to change the present immigration laws is brought in. There is a great deal of urgency in this regard.

Without going into the details of these recommendations, I would say that the program is expansive in its concept and deals with very important aspects of immigration. History shows that our greatest periods of prosperity as a nation have been those periods when there have been great numbers of immigrants. Certainly we cannot but give our full support to the non-discriminatory aspects of the proposals.

As far as sponsorship is concerned, I think there needs to be further discussion of this topic. Whether it is going too far to allow non-citizens, for a period of six years, to sponsor immigrants other than direct dependants, might be questioned. However, as I say this is part of a problem which should be discussed further in the special joint committee.

Therefore, without going into detail, but emphasizing once more our satisfaction that this white paper is before us, we urge the minister to have this special committee begin its work as early as possible, and to bring in legislation as soon as that committee has completed a reasonable amount of study.

WATER RESOURCES

UNITED STATES CONFERENCE ON WATER FOR PEACE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of Energy, Mines and Resources. Has the minister received notice of any revision in the timetable of the world conference on water called by President Johnson for next May?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): First I want to say that we have not yet received a formal invitation to the conference. As the hon. member read in the press, congress has refused to vote certain funds for the organization of the conference. However, my colleague the Secretary of State for External Affairs has written to Washington expressing our desire to co-operate, as well as our concern about the timing and procedure of the conference.

Mr. Aiken: As a supplementary question, aside from the letter which the Secretary of State for External Affairs has written, has there been any other protest or objection filed concerning the pressures placed upon Canada by the time of calling, and by the President's accompanying remarks?

Mr. Pepin: Mr. Speaker, in the letter which the Secretary of State for External Affairs wrote he offered a few suggestions as to the timing and the procedure to be followed.

THE MINISTRY

CONSIDERATION OF RESOLUTIONS PASSED AT POLITICAL CONFERENCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the

Prime Minister. In view of his statement that the bilingual proposal was simply a resolution passed at a political conference, may I ask the right hon. gentleman whether this applies equally to the other resolutions passed at the recent Liberal convention, and particularly does it apply to the resolution expressing the hope that medicare might be introduced prior to July 1, 1968?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. My hon. friend will know from his long experience with conventions of his own party that resolutions serve as a guide, and we on this side take them very seriously as a guide to policy. But resolutions themselves do not establish policy, and in respect of the resolution on bilingualism, which we undoubtedly will consider, I would like to point out that the policy of the government on that matter was laid down in the house on April 6.

That policy provided for bilingualism in the civil service being achieved under conditions which would be fair to all concerned and not prejudice the position of those who do not have the good fortune to be bilingual. We treat that resolution seriously. We treat all resolutions seriously because they are guides to policy.

Some hon. Members: Hear, hear.

Mr. Douglas: Then as a supplementary question may I ask the Prime Minister whether the resolution suggesting that medicare would be introduced prior to July 1, 1968 represents government policy.

Mr. Pearson: Yes, Mr. Speaker. As soon as we are fortunate enough to reach the committee stage of the medicare bill my hon. friend the Minister of National Health and Welfare, who is responsible for the bill, will be making proposals which I am sure will satisfy the hon. member in that regard.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct to the right hon. Prime Minister (Mr. Pearson) a supplementary question to that put by the hon. member for Burnaby-Coquitlam (Mr. Douglas) on bilingualism.

Could he tell us when the commission on bilingualism and biculturalism will submit its report and whether he has heard anything about that?

[Mr. Douglas.]

[*English*]

Mr. Pearson: No, Mr. Speaker, I have nothing to report. I have tried to keep in touch with the commission from time to time, expressing the hope that they will be able to make a report without undue delay.

GRAIN

INQUIRY AS TO ARRANGEMENTS FOR CROP MOVEMENT

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Minister of Finance who answers in the house for the Canadian Wheat Board. In view of the very large crop, the harvesting of which has just been completed in western Canada, and in view of what appear to be very favourable marketing conditions for this crop, have there been any meetings between the minister and the wheat board and the railways to establish targets for the amount of grain to be shipped during this crop year, as was done last year? If so, what targets or goals have the railways accepted for this shipping period?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, both the Minister of Transport and I have been very much concerned to see that the wheat board moves as much grain as possible. The railways are co-operating to an unprecedented degree. Indeed, it is now quite clear, as a result of their gearing up for these large movements, that the possibilities for crop movement are very much greater than anyone had ever thought.

Mr. Olson: As a supplementary question I would like to ask the minister whether the railways have given any commitment as to the amount of grain they would be prepared to move between now and July 31 next, such as they gave the year previously?

Mr. Sharp: We have not discussed specific targets, Mr. Speaker. We are quite satisfied that the amount of wheat or grain they will move will be far larger than ever before, and we do not want to limit them by putting a target on the total.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a further supplementary question, Mr. Speaker, in the minister's discussions with the railways was he able to find out whether there will be more box cars available this year than last year, and whether the railways have succeeded in reducing the number of Canadian box cars which are located in the United States?

Mr. Sharp: Mr. Speaker, I shall take notice of that question.

Mr. E. Nasserden (Rosthern): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Has he initiated any talks with the elevator and terminal companies with a view to improving their facilities for handling additional quantities of grain over what they have been able to handle in the past?

Mr. Sharp: Mr. Speaker, the wheat board is engaged in this endeavour every working day.

NATIONAL DEFENCE

SUGGESTED RECONSIDERATION OF ACQUISITION OF F-5 PLANE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of National Defence. As a result of the United States defence department deciding not to buy the F-5 is any reconsideration being given by Canadian defence authorities with respect to the acquisition of similar aircraft for Canadian forces, either in the present quantities suggested or in reduced quantities?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker. We were quite aware of the feelings of various people in the department of defence in Washington at the time our decision was made. Our decision was based on the needs of the Canadian armed forces and not on the needs of the United States air force.

Mr. Lambert: Then in what way does the minister justify his original statement that his decision was based on the decision taken by the United States forces?

Mr. Speaker: Order, please. That supplementary question is argumentative.

BILINGUALISM AND BICULTURALISM

SUGGESTED DISBANDING OF ROYAL COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the projected costs of the bilingual and bicultural commission, which I understand were recently calculated by the Minister of Manpower and Immigration (Mr. Marchand), as possibly totalling as much as $7 million, and in view of the minister's desire to cut down expenditures, would he disband that commission now and save the taxpayers an additional $3 million?

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker.

POWER

COLUMBIA RIVER—SALES TAX IN EFFECT WHEN TREATY SIGNED

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask a question of the Secretary of State for External Affairs which intrigues a good number of us. Can the minister inform the house whether the 11 per cent federal sales tax on machinery was in effect when the Columbia river agreement between the government of Canada and the government of British Columbia was signed?

Mr. Speaker: Order. This intriguing question should be placed on the order paper.

[*Later:*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I should answer a question asked a few moments ago by the hon. member for Kootenay West and addressed to the Secretary of State for External Affairs. The answer is yes.

AIR CANADA

REQUEST FOR IMPROVEMENT IN OTTAWA-TORONTO SERVICE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would like to ask the Minister of Transport if he would use his good offices to expand and increase the services of Air Canada between Ottawa and Toronto.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. gentleman was good enough to give me notice of his intention to raise this matter, which I believe is of concern to many hon. members who, I am told, are having considerable difficulty getting to Toronto on Fridays.

Mr. Churchill: And other days as well.

Mr. Pickersgill: I shall bring these representations to the attention of Air Canada in the hope that something can be done to improve the situation. Of course the hon. gentleman knows I do not direct Air Canada; I merely report for it.

Inquiries of the Ministry

TRANSPORT

DORION, QUE.—INVESTIGATION INTO LEVEL CROSSING ACCIDENT

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, while I am on my feet I wish to answer two questions which were asked me yesterday. One was by the hon. member for Lotbinière, who asked about the matter of a public inquiry and the way in which it would be set up, into the regrettable accident at Dorion. Until the preliminary investigations are completed and the inquest has been held it would not be proper to set any date for the inquiry, but as soon as it is proper public notice will be given, and every person who has written to the board will be advised by letter.

I might also say in reply to a related question asked by the hon. member for Brome-Missisquoi that I am told there have been some discussions between the Board of Transport Commissioners and the municipality about an overpass or underpass, but according to my information, up to the present time there has been no formal application.

NORTHERN AFFAIRS

DESIGNATION OF CAPITAL OF NORTHWEST TERRITORIES

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, may I direct a question to the Prime Minister. In the light of the recommendation of the Carrothers commission on the Northwest Territories that the capital be designated by the government, when might we expect some decision on this matter of importance to the people of the Northwest Territories?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad to discuss the matter with the Minister of Indian Affairs and Northern Development, who is out of town today, and perhaps he could reply to the question next week.

HEALTH AND WELFARE

GLEICHEN, ALTA.—REQUEST FOR HOSPITAL CONSTRUCTION GRANT

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, in view of the serious hospital situation at Gleichen, Alberta, I should like to ask the Minister of National Health and Welfare whether the Alberta provincial government has approached the federal government for the usual federal grant of $2,000 per bed to help build a hospital there.

[Mr. Pickersgill.]

Mr. Speaker: Order, please. I am sorry to intervene at this point because I realize this matter is of great interest to the hon. member, but it seems to me the type of information he is seeking could be obtained in some way other than by asking a question at this time.

POST OFFICE DEPARTMENT

REPORTED INTENTION TO REMOVE ROYAL COAT OF ARMS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct a question to the Postmaster General. Is he in a position to confirm or deny reports that the royal coat of arms which appears on all mail trucks, bags and other things used to move Her Majesty's mail is to be removed and replaced by another symbol?

Hon. Jean-Pierre Côté (Postmaster General): Yes, Mr. Speaker. We are going to adopt an emblem which will represent a truly Canadian post office and which will give a real interpretation to the Post Office Act.

Mr. Hales: I have a supplementary question, Mr. Speaker. Does the Postmaster General not feel that a matter of such importance, involving a symbol of such long standing tradition, should have been discussed in committee or by this house?

Mr. Speaker: Order, please. The suggestion made by the hon. member is argumentative.

Mr. Churchill: We would like an answer.

Hon. E. D. Fulton (Kamloops): I have a supplementary question, Mr. Speaker. Are we to infer from the minister's decision just announced that in the view of the government the mail is no longer to be Her Majesty's mail?

Mr. Côté (Longueuil): The mail has never been Her Majesty's mail, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Donald MacInnis (Cape Breton South): I have a supplementary question to direct to the Postmaster General. In view of his statement that the mail has never been Her Majesty's mail, will he explain the significance of the use of the initials "O.H.M.S." and indicate what his department intends to do about the use of these initials?

Mr. Speaker: Order, please.

IMMIGRATION

INQUIRY AS TO REVISION OF APPEAL PROCEDURE

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Now that the white paper has been produced is the minister prepared to bring forward a new immigration act? Let me give him an example of what I wish to bring to his attention. When an inquiry takes place to determine the right of a foreigner to remain in Canada, if he is arrested and bail is refused by an inquiry officer the minister's department now takes the position in no uncertain terms that the individual has no right to appeal to a high court. The result is that in some cases men and women from other lands remain in jail for as long as 80 days.

Mr. Speaker: Order, please. I could not determine whether the hon. member was making a statement or asking a question. If he is asking a question perhaps he will indicate what it is, and indicate its urgency.

Mr. Woolliams: The urgency of this matter relates to the fact that there are a number of men and women from other lands in jails in Canada under the provisions of the Immigration Act. My question was very simple. Is the minister prepared now to bring in a new immigration act which will rectify the situation to which I have referred? I should like to hear from the minister in this regard.

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, there is now a bill before this house relating to the board of appeal. I believe that when this bill is adopted by the house these new immigrants will have the right to appeal and decisions will be made much sooner than they are made now.

Mr. Woolliams: I have a supplementary question. This bill will be discussed at a later date, but I should like to ask the minister to consider this situation because there are men and women incarcerated in jails in Canada without any right to bail, while awaiting long inquiries to be made by his department.

Mr. Marchand: Mr. Speaker, I will look into the situation.

LABOUR CONDITIONS

MALTON, ONT.—LAY-OFFS AT DOUGLAS AIRCRAFT PLANT

On the orders of the day:

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I should like to answer a question posed yesterday by the hon. member for York South concerning a situation at the Douglas Aircraft plant at Malton.

The company says that it is a coincidence that a shortage of parts has necessitated the lay-off of assembly workers under training just prior to the arrival, on October 25, of a group of skilled immigrants recruited by the company in Britain. If that is so the coincidence is certainly unfortunate. Officials of my department are keeping in close touch with the situation and with the Ontario government, which supports the on the job training program at the plant. I will inform the hon. member what action, if any, is called for as soon as I have the full information needed to make such a determination.

NATIONAL DEFENCE

REQUEST FOR PRIOR COMMITTEE CONSIDERATION OF UNIFICATION AND INTEGRATION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is designed to be cooperative and constructive, and I should like to address it to the Minister of National Defence. It relates to a very serious matter. In view of the criticism, confusion and turmoil relative to the policy of integration and unification of the armed forces, will he now reconsider his decision not to have the defence committee meet until government policy in respect of the proposed legislation has in principle become a fait accompli?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I have been giving this matter a great deal of consideration, and one of the points that arose in my mind was the responsibility that this house has for taking decisions on principle. I also considered the fact that the government in presenting legislation is accepting a responsibility for the principle that it espouses.

In view of those circumstances I feel it would be an abdication of the responsibility of government and of this house not to deal with the matter in principle. For that reason I believe we should follow the normal course. I can assure my hon. friend that I will be

prepared to produce the information and evidence required to satisfy the majority of the members of this house that the policy is indeed good and progressive, and will meet the needs of the military forces of this country in the future. In so far as any details are concerned, they will be made available by the military staffs at the time the bill is being considered by the standing committee on national defence.

Mr. Winch: I have a supplementary question. In view of the emphatic and point blank answer given by the minister I should now like to ask him what I believe is a logical question. Does he take the position that the defence committee of this House of Commons is merely a rubber stamp in respect of government policy and legislation?

Mr. Hellyer: Absolutely not, Mr. Speaker. My belief is quite to the contrary.

Mr. Speaker: Order, please. I suggest that the supplementary question asked by the hon. member is argumentative.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question, Mr. Speaker. I listened to the minister's answer with great interest. Can he explain why the government is going the other way around in respect of its procedure on the white paper immigration policy?

Mr. Speaker: Order, please.

Mr. Hellyer: To my knowledge that is not the case, Mr. Speaker, but I will refer that question to my colleague who is responsible for these matters.

BROADCASTING

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question I intended to direct to the Secretary of State, but in her absence perhaps I should direct it to the Minister of Public Works in his capacity as house leader. When does the government intend to introduce the promised legislation on broadcasting?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, my understanding is that the white paper has to be considered by the standing committee first. I do not believe this legislation will be brought forward for some time, for the additional reason we have quite a bit of legislation on the order paper which we have been trying to deal with first. We lost a couple of days last week. We hope to move ahead with the broadcasting legislation as soon as the committee has dealt with the white paper.

Mr. Nesbitt: I have a supplementary question, Mr. Speaker. Will the minister indicate whether it is intended to bring this legislation forward at the present session of parliament?

Mr. McIlraith: It is my understanding, Mr. Speaker, that the Secretary of State answered this question yesterday. I will look up that answer and repeat it.

Mr. Nesbitt: I have a related question I should like to direct to the minister who acts on behalf of the Secretary of State in her absence. I was wondering whether the minister would convey to the Canadian Broadcasting Corporation the suggestion that the program "Preview Commentary" might be more properly entitled "Liberal Commentary".

HIGHWAY SAFETY

INQUIRY AS TO INCREASED GRANT TO SAFETY COUNCIL

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Now that death on the highways is considered to be Canada's No. 1 health problem, will the Minister of National Health and Welfare tell the house to what extent the grant to the Canada Highway Safety Council will be increased?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the most recent grant made by the department to the council was greater than the previous grant. We have the representations of the council under consideration and if there is any further change in the extent of the grant, it will be announced in the house.

INDUSTRY

INFORMATION ON OPERATIONS OF FOREIGN COMPANIES IN CANADA

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. In view of the widespread interest in the information being collected by the Dominion Bureau of Statistics about the operation of foreign corporations in Canada, can the minister say if this work is now completed and

whether it is his intention to make this information available to the house?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, a great deal of valuable information is being obtained. We are now learning more about the operations of subsidiary companies in Canada than we ever knew before. Much of the information is being submitted on the understanding that it will be kept private, in that it has a bearing upon the competitive position of the companies. The information is now being assembled, and to the extent that I can do so I will be glad to make it available to hon. members of the house when my estimates are under consideration.

Mr. Saltsman: A supplementary question, Mr. Speaker. In view of the great interest and the need of people carrying out studies of this kind in Canada, will this information be collected in a form that will be available to the economists who are working in this field?

Mr. Winters: To the greatest extent possible, consistent with the secrecy aspects of some of the information.

EXTERNAL AFFAIRS

NATO—POSSIBLE CHANGE IN ROLE OF CANADIAN FORCES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I had a question for the Secretary of State for External Affairs, who I see has left the house. I gave him notice of the question. I should now like to address it to the Prime Minister. In the light of the reported discussion between the President of the United States and the Chancellor of West Germany relating to a searching reappraisal of the threat to Atlantic security and the existence of a three nation—that is, American, German and British—study of changed force levels in NATO, does the Canadian government contemplate taking any steps to notify the representatives of these three governments of a desire to alter the future role of Canadian forces in NATO?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a pretty far reaching question. I know this matter is under discussion not only by the three members concerned but by the NATO council. Before I say anything more than that I think I had better discuss the matter with the Secretary of State for External Affairs, who I believe was prepared to answer the question but was called out of the house.

OLD AGE SECURITY

CONTINUATION OF PAYMENTS TO DEPENDANTS OF DECEASED PENSIONER

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I wish to direct to the Minister of National Health and Welfare. Can he say what consideration is being given to the request of the pensioners and senior citizens federation of Canada that the old age pension of a deceased pensioner be continued for six months in order that the surviving spouse be enabled to meet debts incurred by terminal illness?

Mr. Speaker: Order, please. I am just wondering whether this is not the type of question that should be placed on the order paper.

Mr. Mather: Ten o'clock, Mr. Speaker.

GRAIN

REQUEST FOR INCREASE IN INITIAL PAYMENTS

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is addressed to the minister reporting for the Canadian Wheat Board. I would ask the minister if he is now in a position to say whether any decision has been taken relative to the proposal that the initial payments on western wheat, oats and barley be increased.

Hon. Mitchell Sharp (Minister of Finance): Not yet, Mr. Speaker.

[*Later:*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wanted to ask a supplementary question of the Minister of Finance following the question asked by the hon. member for Springfield regarding the initial prices of wheat, oats and barley. Does the Minister of Finance, like the Prime Minister, take seriously the resolutions that were passed at the recent Liberal convention? I believe there was one involving this particular matter.

Mr. Speaker: Order, please. The hon. member is repeating a question that was asked earlier today.

Inquiries of the Ministry

FISHERIES

REPORT OF INQUIRY INTO FRESH WATER FISH MARKETING

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I have a question for the Minister of Fisheries. Has the minister received the report of the McIvor commission and, if so, when will it be made public?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I am pleased to advise the hon. member that the report has been received by the Prime Minister. The translation is expected to be completed today or Monday, and it will be tabled early next week.

HOUSE OF COMMONS

REQUEST THAT ELECTIONS BE NOT HELD ON SUNDAYS

On the orders of the day:

Mr. George Muir (Lisgar): I have a question for the Prime Minister, Mr. Speaker. Would the Prime Minister assure the house that in any legislation arising out of the report of the committee on election expenses no consideration will be given by the government to holding federal elections on a Sunday?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not think I should be asked to give an assurance of that kind, though personally I would not hesitate to do so. The report of the committee will be submitted to a committee of this house. I think it is a parliamentary matter even though it is also a governmental matter, and before the committee has had a chance to examine it I should not like to say anything more.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the right hon. Prime Minister.

Should a democratically elected Quebec government proclaim the independence of Quebec, would the federal government use the army to prevent the province's independence, as stated by the hon. member for Sherbrooke (Mr. Allard)?

Mr. Speaker: Order. The question is highly hypothetical.

Mr. Grégoire: Ten o'clock, Mr. Speaker.

[Mr. Speaker.]

[*English*]

PUBLIC SERVICE

COMMITTEE CONSIDERATION OF PENSIONS OF RETIRED EMPOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. As he will recall, two or three times in the earlier part of this session he indicated that he was personally agreeable to the idea of enlarging the terms of reference of the joint committee on the public service so that it might consider the question of the pensions of retired civil servants. Can the minister say whether the necessary motion to enlarge the terms of reference accordingly has yet been drafted?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, this matter has not been discussed further with my colleagues than was mentioned in the house. I expressed a personal opinion at that time. However, I should like to say that we are most anxious to have this committee complete the work it has before it at the moment in order to get the collective bargaining legislation before the house as soon as possible.

Mr. Knowles: A supplementary question, Mr. Speaker. Does the minister not recall that the request was that this matter be dealt with after the collective bargaining legislation had been concluded? Would he therefore keep the matter in mind?

Mr. Speaker: Order, please. The supplementary question is argumentative; the hon. member is asking whether the minister recalls or does not recall something which he may or may not have said before. That is not a proper question.

Mr. Knowles: I am sure he does recall it.

TRADE

GATT—SUGGESTED INSTRUCTIONS TO CANADIAN NEGOTIATORS

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Trade and Commerce the urgency of which I think is apparent from the limited time left for the negotiations under the Kennedy round on tariffs. In view of the resolution passed recently in this city, will the minister instruct the negotiating team to take a more liberal policy with regard to the negotiations in Geneva, or is this just another resolution?

Hon. Robert Winters (Minister of Trade and Commerce): I think all hon. members know that Canada is in the forefront of those nations seeking a liberalization of trade, and we will continue to be so.

Some hon. Members: Hear, hear.

POST OFFICE DEPARTMENT

INVESTIGATION INTO GRIEVANCES OF EMPLOYEES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to address a question to the Postmaster General. In view of the continuing unrest among postal employees about the conditions under which they work, when can we expect the tabling of the Montpetit report?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, we have not yet received the Montpetit report. We were expecting it on the 13th of this month, but my most recent inquiries reveal that it will be received definitely by the 18th. So it will be Monday or Tuesday at the latest.

[*Translation*]

FINANCE

REQUEST FOR INCREASE IN FAMILY ALLOWANCES

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare.

Considering that the government is trying its utmost to bring the income of elderly citizens in line with the cost of living by guaranteeing a minimum of $105 a month instead of $75, could the minister tell us whether or not he intends to increase, in the same proportion and for the same reason, the family allowances of $6 and $8 a month paid to Canadian children under 16 years of age?

Mr. Speaker: I would ask the hon. member to put his question on the order paper.

[*English*]

IMMIGRATION

INQUIRY AS TO APPLICATION OF NON-DISCRIMINATION POLICY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, representing as I do a riding with the heaviest ethnic grouping west of Toronto, I claim your indulgence to allow me to direct a question to the Minister of Manpower and Immigration. In view of the principle in the immigration policy which he announced verbally and in the white paper of non-discrimination on the basis of race and colour, I would like to ask him whether this will be the policy followed by his department prior to the introduction of the new legislation.

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, right now there are differences between the sponsorship rights of Europeans and those of Asians. This is in our law and of course it cannot be changed before the law itself is changed.

HOUSE OF COMMONS

INQUIRY AS TO SALARY INCREASES FOR CLERICAL STAFF

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him whether he would undertake to look into the long delay in the salary increases announced under class B, which includes the secretarial staff of the House of Commons.

Right Hon. L. B. Pearson (Prime Minister): Without accepting the preamble to the question, I will be glad to look into the matter.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed, from Thursday, October 13, consideration of the motion of Mr. MacEachen for the second reading of Bill C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

• (12:20 p.m.)

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, when the house adjourned last night, I was dealing with the excessive cost of such a medicare plan. It is expected that in 1971, it would cost $4,481 million, of which 85 per cent would be paid by the various governments. It must be emphasized that governments would then have to seek additional revenue without, for all that, crushing the taxpayers, who are already overburdened with all kinds of taxes and contributions.

Countries where such programs were established without preparation or adequate planning were faced with financial problems bordering on disaster. In England, the national health service was supposed to cost $390 million per year. After one year, however, its cost exceeded $1 billion. In 1960, it had reached almost $2 billion.

In Sweden, the initial cost of compulsory insurance, forecast 14 years ago, went up by 500 per cent. In France, the social security deficit reaches the fantastic figure of 1 billion N.F. The plan for the modernization and increase of hospitals and research laboratories in France is 30 years late, due to a lack of funds. Out of 150,000 hospital beds, 140,000 were provided before 1940. At the Lariboisière hospital in Paris, there are only 13 showers—one for 71 beds—150 basins, 56 water closets—one for 17 beds.

Those, Mr. Speaker, are a few considerations which indicate the complexity of a medicare scheme and the minister or the government should prove that governments are now in a position, considering present and future economic and financial conditions, to meet such obligations. But no explanation has yet been given in that connection. Indeed, that is why provincial governments have been protesting so strongly and so bitterly in the last several months. As a matter of fact, eight provinces have demanded a revision of Bill C-227, not only as far as the principle is concerned but also the provisions, the priorities and the phases to establish.

Ontario and Alberta have objected to the criteria, to the four conditions required by Ottawa. Manitoba has also made reservations. The three maritime provinces which took part in the meeting asked for improvements to this legislation, Bill No. C-227.

Even Mr. Ross Thatcher premier of Saskatchewan, a province already enjoying a provincial plan, has asked for a review of the bill before us because important things were left out for instance, the administrative costs. The province of Ontario has requested a revision of Bill C-227 for several reasons which are reflected in the amendment moved by the Progressive Conservative party. And the province of Quebec, through the hon. Jean-Jacques Bertrand, said that it would never accept the condition imposed by Ottawa.

Such is the situation. That is the spirit in which we consider this bill which is refused or criticized by eight important provinces in our country. But in spite of those protests, those warnings, those anxieties, the government is going ahead. It continues to increase the pressure, the confusion and the disagreement between the central administration and the provinces.

Ottawa must be strong, and have a strong government which must crush all the provincial governments, without any regard for their aspirations, their administrative wisdom, their social and economic environment, the characteristics of the people living in those provinces whereas in 1867, the Canadian constitution entrusted all those regional and local matters, including health, to the provinces. This is the course followed by the present government.

I appreciate that this is not the first time I raise the question, somewhat like St. John the Baptist who was preaching in the wilderness. I will not stop as long as the people of the riding of Sherbrooke will send me as their representative in this house, to defend the rights of the provinces and of Canadian citizens, and to warn the federal government, which is Liberal at the present time, to stop it omnipotence, to stop poking its nose into fields of all kinds, especially in fields where it has no business.

The present government advocates a very vicious principle. Let them remember a statement by a great Liberal of the past, Sir Wilfrid Laurier, who said that it was absolutely wrong and unacceptable that this Canadian government, in a well-conceived federalism, should levy taxes which through distribution to other governments, would be spent by them.

Fundamentally this is extremely vicious. And this statement, this idea of federalism originated in the mind of a great Liberal of days gone by Sir Wilfrid Laurier. The present Liberal government is devoid of consideration, of tactfulness, in short its members have no idea of true federalism. We are in a constitutional chaos, Mr. Speaker, a chaos which must be denounced because it goes against the aspirations and the wishes of the provincial governments.

What will be the outcome if the present federal government continues to push its way around in all fields? We will have a unitarian system of government, because the provinces will withdraw. Is this what the present government wants? No, but it refuses to meet with the provinces again in order to reach an agreement concerning the different standards.

Mr. Speaker, some provinces have made a list of priorities. For some, health is the most

important consideration, for others it is education or sectors of the economy. But the present federal government disregards all this. It wants to pass legislation on a national scale with regard to the economy and in all other fields, which is contrary and destructive to the principle of federalism and which emphasizes disunion and pressures in the country. The government is responsible for this. It does this with a sort of unconcern which is entirely reprehensible.

I say it is an extension of co-operative federalism, of centralization. It is another example of the famous co-operative federalism some members of the government talk about in various parts of the country.

Mr. Speaker, in 1919 Ottawa first passed an act to help fight venereal diseases and create a public health department. Then, in 1944, the federal government established the Department of National Health and Welfare. Followed in 1948 a national hygiene and health program providing 13 subsidies. Later, in 1957, it passed the act on hospital insurance. Those are all matters belonging to the field of health and social welfare which, according to the spirit of the constitution, were to fall exclusively within provincial jurisdiction.

And this is extended further today; naturally, the tentacles reach further. Now we have medicare. Co-operative federalism has become, facts prove it, coercive federalism. Four conditions are laid down, then the provinces are told: accept that, launch your own medicare program, and we will pay so much provided you meet our four requirements. Well, that is not co-operation; it is trespassing, coercion.

Moreover, it is not true that the federal government can spend as it sees fit. It must have sufficient revenues to provide for its responsibilities and jurisdiction as outlined, amongst others, in section 91 of the constitution. But it is erroneous and malevolent to maintain that the government in Ottawa can levy most of the taxes in Canada, spend the money according to its own wishes and invade provincial fields of administration. The interest the federal government may have in a problem does not allow it to legislate on such matters as are the express responsibility of another government.

The present federal government is concerned about health and sickness problems in Canada. But other governments have dealt with those problems before, namely in Saskatchewan and Ontario. Just because the federal government decides one fine day to do something about it, because its coffers are full while those of provincial governments are almost empty, does not give it the right to meddle with problems which fall within provincial jurisdiction and responsibility. Interest in the matter does not create a right.

[*English*]

Mr. Winch: May I ask a question of the hon. member? Does he think the provinces to which he has referred would object because the federal government, as a result of its interest in health, through ancillary legislation paid half the cost of maintaining the good health of their citizens, as I understand this bill seeks to do?

Mr. Allard: Would the hon. member repeat his question? I had a bad translation here.

Mr. Winch: In view of the hon. member's remarks relating to the lack of authority of the federal government in this field, and in view of the national interest in health, does the hon. member feel the provinces he mentioned would object to the federal government paying half the cost of maintaining the health of the citizens of those provinces? Would you object, or do you think the provinces would object?

[*Translation*]

Mr. Allard: Mr. Speaker, I cannot understand very well what the hon. member wants to say by relying on the interpretation. It might be better for me to listen first to what he has to say in his mother tongue, if he is kind enough to repeat his question in English.

[*English*]

Mr. Winch: In view of what the hon. member said before I took it that he was objecting to the federal interest in the health of the people because that comes within provincial jurisdiction. Does the hon. member consider that there should be objection by the provinces when the federal authority, in an ancillary manner, is prepared to pay half the cost of the medical requirements of the citizens of a province? Does he object, as well as expressing the view that perhaps the provinces would object to this financial assistance?

• (12:30 p.m.)

[*Translation*]

Mr. Allard: Yes, Mr. Speaker, I explained a while ago that I object to this measure simply because the federal government does not give back to the provinces an adequate share of the amounts collected in these taxation fields.

The government keeps in its coffers the revenues collected in these taxation fields to deal with all kinds of things, namely medicare. I think, however—and I am not alone in thinking that way—that the provinces can very well look after this matter. Besides, some provinces have already started to do it successfully.

Another point, which explains my objection to this bill, is that a province which will not participate in the medicare program, according to the provisions of Bill No. C-227, will not receive fiscal adjustments before 1972. This is a serious discrimination, because we know that the province of Quebec will opt out of the national medicare program and that until 1972, it cannot receive, as in other fields, any fiscal adjustments. This is discriminatory because the taxes paid by the Quebec citizens to the central government, will help provide funds for a national medicare program, but these same Quebec citizens will also, through a portion of taxes they pay to the Quebec government, pay for a provincial medicare program. This is unjust and discriminatory; it is a serious matter which the Minister of National Health and Welfare (Mr. MacEachen) and this government should have agreed to negotiate and discuss with the Quebec government. He knew very well, as he knows now, that the Quebec government with its self-governing policy and its special hospital and health condition, would not be interested in participating in a national medicare program.

In clause 8 namely, the minister should have provided for fiscal adjustments for this first term until 1972, expecially to exclude such discrimination and injustice to Quebec citizens.

[*English*]

Mr. Winch: Why the interest then?

[*Translation*]

Mr. Allard: We, the Quebec people, (I wonder whether the member for Vancouver East (Mr. Winch), can understand that it is not because of a lack of interest in Canada) want to mind our own business and administer the areas under our jurisdiction. We do not want our own responsibilities to be taken over by another government, it is as simple as that.

And this is why when we agreed to a political system in 1867, we quoted, as we often do, the provisions of that 1867 constitution which put into the hands of the provinces, in section 92 and others, in view of its structure and its wording, all the social, civil, local and regional matters and professional problems. This is why, when we speak here we take our stand on the constitution, and I do not think that we are foreigners in this country, but we want to look after our own business. This does not mean that we have a grudge against the other citizens of our country; on the contrary, we like them, we appreciate them, we like to meet them, to visit them, and we consider ourselves Canadian as much as anyone else in this country. We want to administer the fields coming under our jurisdiction, but we would be loath, however, to give anybody the impression that we want to be difficult and that we do not consider ourselves as 100 per cent Canadians.

Mr. Speaker, it is on these particular grounds that I object to this bill and that I shall vote against it. If all other hon. members vote in favour of this bill, there will at least by my own objection, since I do not favour the bill, mainly for the reasons I have indicated.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the debate thus far has brought forth suggestions from several hon. members who have participated to the effect that unfortunately the implementation of this important legislation has been surrounded by an atmosphere of electioneering. I think the hon. member for Dollard raised this point.

At the outset I should like to indicate, Mr. Speaker, that this is not a new phenomenon. This has been the atmosphere that has prevailed, as our friends in the New Democratic Party keep insisting, since the subject was first raised back in 1919.

The first statesmanlike approach to the problem of the urgent necessity of providing Canada with an adequate health care program was the appointment of the Hall royal commission in 1960. This enabled the subject to be raised from the level of electioneering and political cut and thrust and to have an objective and comprehensive look taken at the whole situation.

Hon. members on all sides of the house have agreed that the report of the Hall royal commission more than justified its appointment. It has laid down a health charter which, if implemented, will provide Canada and Canadians with the best possible health care program. When I say a health care program I do not limit it to the medicare scheme presented to us in this Bill No. C-227. I think one of the basic criticisms that can be made against the bill is that it moves only to

deal with a small segment of the whole problem of health care in the modern state.

It is not necessary for me to review the basic recommendations of the Hall commission report. I think it is obvious to all—and this view has already been expressed during the debate on second reading—that the present bill falls far short of implementing many of the objectives of the Hall commission report.

This has resulted from the government's failure to carry out adequate consultation with the governments most concerned, namely the provincial governments. When the legislation was first mooted the former minister of national health and welfare who is now Secretary of State (Miss LaMarsh) indicated to the provincial governments that there would be, as had been recommended by the Hall commission report, a federal-provincial health conference which would make it possible for the governments most concerned to bring their representations, which were based on the report, to the attention of the federal authority.

As I recall it, Mr. Speaker, one of the meetings held along these lines was attended by the former minister, and the next meeting was attended by the new minister, who presented to the provincial health ministers a fait accompli. He laid down a rather rigid set of criteria comprising four points that are well known to the members of this house, and created a sense of frustration in governments at the provincial level which has resulted in the present difficulties which confront us in considering this legislation.

There was a great desire on the part of the government to get the legislation before the house. It came up first of all last July when we were anticipating a summer recess, and an attempt was made to complete second reading at that stage. I was bold enough at that time, Mr. Speaker, to prophesy that the target date that was laid down by the minister, of July 1, 1967 for implementation of medicare, would not be met. I know it is not perhaps quite the thing to quote your own speeches, but as reported at page 7589 of *Hansard* for July 12 I was bold enough to say:

> I scarcely believe, however, that on the basis of past performance, at least during the 15 years I have been in this house, we are going to have a comprehensive and absolutely complete program in operation as early as the beginning of our 100th birthday.

In other words, on the basis of the past performance of the government we could have anticipated that the target date put forward by the minister was not a realistic one in many respects and would inevitably have to be altered. And this has been the case; there has been a postponement.

• (12:40 p.m.)

I do not think it is adequate, Mr. Speaker, for a government charged with the responsibility of implementing a health charter of the quality of the Hall commission report to operate on the basis of electioneering propaganda. The hon. member for Dollard indicated that the opposition groups were operating on this basis. I think it has become crystal clear in recent months that this piece of legislation, along with other basic matters in Canada, has become part of a game of oneupmanship which is being used by responsible ministers to establish their claim to succession in a perpetual and perennial Liberal leadership race. The headlines in the daily press talk about the contest of the Minister of Finance (Mr. Sharp) *v.* the hon. member for Davenport (Mr. Gordon). At one time the Minister of Finance is in the lead; at another time the member for Davenport is in the lead. At other times it is a contest of the Minister of National Health and Welfare (Mr. MacEachen) *v.* the Minister of National Defence (Mr. Hellyer).

I had the impression, when the minister endeavoured to rush this legislation through last July, that it was his contribution to the game of oneupmanship. Then if the program does not proceed according to the schedule recommended by the minister there is the constant threat of resignation. That is a confusing and awkward way to run a country, I suggest.

Providing a comprehensive health insurance program for Canada is not an item in the leadership race. This is an opportunity to provide adequate health care, as set out for us in the Hall commission report which, I reiterate, goes much further than the concept of medicare as laid out in Bill No. C-227.

It is for this reason that the members of the official opposition have seized the opportunity, made possible by the government's delay in implementing the legislation, to bring the health care program more closely into line with the recommendations of the Hall commission. After all, it was the Conservative government which set up this royal commission in an attempt to get the subject out of the realm of politics and perpetual

electioneering. That is why I am happy to be the seconder of the motion proposed by the hon. member for Simcoe East (Mr. Rynard).

In the field of health care medicare is not a new concept. In fact it goes back to the last century, to Chancellor Bismarck of Germany. It is very interesting to hear the various parties in this house competing with one another for the distinction of being the fathers of medicare. Most countries other than Canada and the United States of America, as North American countries, already have programs in operation.

I do not think it is a fact unknown to most members in the house that these programs have developed serious problems. The United Kingdom program, for example, has headed inevitably into the difficulties of bed shortages and personnel shortages which threaten to become chronic. Sweden, which has often been pointed to as the paragon of the socialist paradise, particularly by members of the New Democratic party, has run into even greater difficulties in the operation of its scheme. There is such a shortage of personnel that they have to close down many of their hospitals during the summer. The latest figures, as I understand, indicate that some 4,000 Swedish citizens are on the waiting list for operations. The problem is not only financial, Mr. Speaker. It also involves, as has been amply demonstrated by experiences in other countries careful planning and co-ordination.

It is not good enough for hon. members in this house to say that they accept a bill—any bill—that purports to deal with this urgent problem. The hon. member for Winnipeg North Centre said that his group would vote for any bill which gets Canada started in the direction of medicare. I think that is hardly a responsible position. If there were great urgency, or if the scheme were to be implemented within the few months as originally indicated, namely by next July, perhaps there would be justification for that position. But here we have almost a two year interval, and we are debating the issue now. We are rushing into it as part of a game of oneupmanship. I suggest that the delay initiated by the government itself makes it possible for hon. members of this house to deal adequately, thoroughly and responsibly with the bill so the obvious gaps I shall point out in a moment can be dealt with.

The hon. member for York-Scarborough (Mr. Stanbury), intervening in the debate yesterday, suggested that in putting forward amendments members of the Conservative party are against the bill, and that they are endeavouring to kill the bill. It has virtually been killed by the government's delay. I repeat what I said at the resolution stage, that rather than being against the bill it ought to be remembered that the present action was initiated by the former Conservative government, when it appointed the royal commission to deal comprehensively with this matter.

In the remaining time at my disposal I wish to deal with three major areas of deficiency. First of all, the bill does not avoid the obvious pitfalls of similar schemes in the United Kingdom and Europe. Second, it does not meet the requirements of the Hall commission report for a comprehensive health care program, as opposed to a medicare program. Third, the bill has already run into very serious criticisms from most of the provinces. This means that we are running into a major difficulty right at the outset.

That is so because under our constitution it will be the responsibility of the provincial governments actually to implement the legislation. The provinces have been placed in a federal strait-jacket by the fait accompli criteria which has been laid down by the federal government. Though it is said that there is flexibility with respect to time no flexibility has been allowed with respect to these criteria. They still exist and provide for physicians' services only. This will have a serious disrupting influence on programs already operated by provincial governments, particularly with respect to groups such as optometrists which, as I read the legislation, are excluded from the provisions of the bill. The 90 per cent participation requirement at the outset of the scheme means the interpretation of the word "Universal", in the bill is compulsory.

• (12:50 p.m.)

Everyone agrees, of course, that benefits should be portable; and as for the final criterion "operated by government or an agency of government", I do not think anybody has too much quarrel with that. Our amendment deals with the basic question of provincial co-operation, and it also attempts to deal with the Hall commission recommendation that there should be a comprehensive health care program as distinct from a restricted medical care program.

First, as to provincial co-operation, I will refer to the province of Manitoba because that province has made special recommendations in this respect. When the bill was first

before the house the government of Manitoba suggested that the requirement for participation at the initial stage be relaxed to 80 per cent rather than the 90 per cent level. This was a reasonable request, and it would seem to fall within the principle of universality endorsed by the Hall commission. Telegrams were exchanged and the federal government insisted that the original 90 per cent participation figure should remain.

This makes it impossible for a province such as Manitoba to institute the program, which was already in effect as a voluntary scheme, in the form of legislation. The word "universality" is being interpreted by the federal government as meaning "compulsory". It is the provinces which must impose this compulsory feature. While Ottawa takes any political kudos which may result from the implementation of this scheme, it is the provinces which will have to bear the political difficulty of imposing a compulsory scheme in many areas of Canada where there is considerable resistance to this feature. Manitoba is not alone in this regard; the province of Alberta is even more forthright in its protestations.

I suggest to the minister that in the interval between the passing of this legislation and its implementation some two years hence it would take none of the lustre from his leadership campaign if he were to reconvene the federal-provincial conference on health care so these difficulties could be discussed with the provincial ministers and the launching of the scheme assured by the reconciliation of the policies of the two levels of government.

Another matter is coming to the fore. Again I cite the case of the government of Manitoba, which has always insisted on a system of priorities both in the general legislative field and in the field of social welfare. A number of hon. members have suggested that, to judge from their mail, people are not so much concerned with this medicare bill as they are with the situation in which old age pensioners find themselves. I can testify that my own experience is the same. I have not had a single letter concerning medicare and the need for rushing this legislation through at the present time. My correspondence on the subject of social welfare priorities all centres upon the necessity for dealing as a matter of urgency with the situation of our senior citizens.

There are several governments, including the government of Manitoba, which are ready to come forward now, not in July, 1967 or in July, 1968, to deal with one of the areas of greatest need, the provision of adequate health and medical care for our senior citizens, provided they can get the agreement of the federal government to make this possible.

Only yesterday the government of Manitoba issued a statement urging Ottawa to move forward immediately to make it possible for those who really need medical help because of restricted income—and this concerns old age pensioners in particular to obtain the necessary assistance. The statement calls upon the federal government to proceed immediately to implement such an aid program as is suggested in our amendment. Here is a real priority; here is a real need, and I am sure it is one which will receive the backing of all hon. members in this chamber.

The second point of concern in our amendment has to do with medical education and the provision of the necessary services. My hon. friend from Simcoe East dealt with this subject quite adequately in his presentation. I shall merely refer to it in passing, and perhaps make a few additional points. The medicare program proposed in this bill will precipitate a crisis in the field of medical services. The experience of the United Kingdom and the experience of Sweden will be mild by comparison.

This crisis will not be met by the health resources fund which this House of Commons has already approved. Here is one of the greatest weaknesses of this legislation; it deals with one small area only, medical care and physicians' services. It ignores the paramedical services and all the ancillary services which go to make up an adequate health care program as set out in the recommendations of the Hall commission.

In addition it will disrupt the worthwhile experiment which is just beginning in the provinces of Manitoba and Ontario. I refer to programs of home care designed to relieve the growing pressure on hospital bed accommodation across the country. These deal with one of the most pressing aspects of any health care program. The hospital insurance program and many others of a voluntary nature already in existence are dealing satisfactorily with the basic needs of in-patient accommodation. Most of the medical needs of patients can be met under such schemes. The real cost arises after the patient has been

discharged, particularly where his case is a chronic one and has to be taken care of in a home situation. There is absolutely no provision in this bill to meet this difficulty. Indeed, its restrictive terms will seriously interfere with the home care program experiment already under way in several provinces.

• (1:00 p.m.)

There is another matter to which I would like to refer before concluding my remarks, and that is the failure of the bill to follow the recommendations of the Hall Commission with respect to mental health. The commission was quite specific in this regard and pointed out that the treatment of mental illness in Canada has not moved much beyond the ghetto approach that has existed since the nineteenth century. The present program is one that segregates the mentally ill from society and aggravates the problem by such a ghetto approach.

Medical science has made remarkable progress in psychosomatics, the approach of treating the whole patient, yet very few of the psychiatric insights provided by the social scientists have been implemented in overt policy. The cost per day per bed of a mentally ill patient is around $5 or $6, which indicates that the total treatment services available must be strictly limited. In contrast the cost for the physically ill is somewhere about $30.

Mr. Justice Hall was quite specific in the recommendation made, and the first page of the summary which was provided in connection with the publication of volume I quotes from the report in these terms:

> The commission recommends a complete reorganization and reorientation of mental health services.

Recommendation No. 29 reads:

> That henceforth all discrimination in the distinction between physical and mental illness, in the organization and provision of services for their treatment, and the attitudes upon which these discriminations are based, be disavowed for all time as unworthy and unscientific.

The summary adds that this:

> —may be said to keynote the commission's views in the field of mental health.

A deficiency of this kind more than necessitates the careful reconsideration and review that has been recommended in the amendments put foward by the hon. member for Simcoe East (Mr. Rynard). This also applies to the field of public health services which have not been taken into consideration under the bill, and which are basic if we are going to have an adequate health care program for Canadians.

I have already mentioned that the bill ignores the services of such groups as optometrists. They are going to be completely excluded. This is something which deserves consideration by the government, and by all hon. members if they are given an opportunity to hear further representations.

On the question of a voluntary program and freedom of choice, again the Hall Commission report was quite specific. I do not think I need to underline that point any further, but I think I should refer to a speech made by Mr. Justice Hall which was published in the September-October issue of the *Canadian Tax Journal*. In his speech he made this point:

> This measure of governmental participation in the financing of health services is not socialism. We are convinced that Canadians are opposed to the concept of state medicine. We have urged Canada not to become involved in a battle of semantics. In recommending the program we have proposed, we have steered clear of the views of those on the extreme right or extreme left. We are opposed to state medicine, a system in which all providers of health services are functionaries under the control of the state. We recommend a course of action based upon social principles and the co-operation and participation of society as a whole in order to achieve the best possible health care for all Canadians, an aim that Canadians by their individul efforts cannot attain.
>
> Such action, we insist, is based upon freedom of choice on the part of the citizen, and on services provided by free and self-governing professions. By safeguarding these elements, so vital to a free society, we believe we have avoided the difficulties inherent in a program which attempts to nationalise the services which one group provides for others.

I believe that this fundamental principle has been violated by the legislation before us and by the restrictive four points that have been put forward by the government

Let me conclude by saying that those of us on this side of the house are concerned, in approaching a matter as important and as serious as adequate health care for Canadians, that it be taken out of the realm of electioneering, of leadership, oneupmanship, and that as responsible members of the House of Commons we regard this as an opportunity to implement the best possible health care program.

From the medical standpoint Canada today leads the world in the quality of its medical care. We can only continue to do so under a program that will not disrupt the facilities that have already been established, because we have already moved a long step forward to

resolve many of the difficulties. Provincial governments have been active in the field, and if we are going to continue in a positive direction, now that the federal government at last is intervening in this field, let it be in the spirit of co-operation rather than in the spirit of controversy which has been the response from most of our provincial governments in reference to the bill before us.

The government has decided, for reasons known only to itself and obviously as a result of internal politicking within the cabinet, that the original target date will be postponed one year. We are discussing this legislaton early in the resumed session. It has been placed before us ahead of many more urgent matters that will be implemented long before 1968. Let the government use the time that has been afforded by the delay to have this matter referred to the federal-provincial conference on health care, and to have it referred to our house committee so that we can begin the program in a spirit of harmony and co-operation rather than in the spirit of controversy which at present prevails across the country.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I welcome this opportunity of speaking in support of the motion introducing the second reading of Bill C-227 which will provide federal financial contributions toward the cost of insured medicare services of provincial health insurance plans. I am sure most of us in the house were eager and happy to approve the resolution several weeks ago and to give first reading to this medicare bill last July 12.

• (1:10 p.m.)

However, after hearing the speeches during this debate, and especially those of the Conservative spokesmen, I must say that this is a puzzling experience. After hearing the speech just delivered by the hon. member for Brandon-Souris (Mr. Dinsdale) I do not understand the position taken by the official opposition. It is regrettable that the amendment now before us was not withdrawn, and for this reason I must deplore the fact that we have to continue to deal with the amendment moved by the hon. member for Simcoe East (Mr. Rynard).

This amendment will serve only to delay indefinitely a comprehensive and universal health insurance plan for the people of Canada. The amendment is puzzling and even self-defeating because the sub-parts are in conflict with the preamble. However, more disturbing was the deplorable statement made yesterday by that leading Conservative spokesman, the hon. member for Kamloops (Mr. Fulton). I should like to refer to page 8634 of *Hansard* where he is reported to have said that this medicare bill should be killed and buried. This attitude is disappointing, I am sure, to all of us and will be disturbing to the people of Canada when they learn about it.

The first part of the amendment asks the federal government to obtain the co-operation of the provincial governments. In this era of rapid progress and increasing demand for social justice, no provincial government would want to deny to its citizens a basic human need in the form of readily available adequate health care. In spite of the reported reluctance of some provincial spokesmen to subscribe to the basic conditions of the federal medicare scheme, I am confident that at this time of federal-provincial co-operation this reluctance will fade away and with good will the difficulties will be be met and solved satisfactorily.

Mr. Aiken: Mr. Speaker, may I ask the hon. member a question?

Mr. Haidasz: I will answer the hon. member's question after I have completed my speech.

Mr. Aiken: How many provincial governments have brought in medicare plans—

Mr. Haidasz: I should like to finish my speech, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): Order, please. The hon. member for Parkdale has requested that questions be deferred until after he has concluded his speech.

Mr. Haidasz: The present Prime Minister (Mr. Pearson), announcing the Liberal medicare policy in Toronto last year, said:

> We cannot impose policies and programs on provinces in respect of matters within their jurisdiction. And we will have to be increasingly careful in participating in joint federal-provincial programs in which all provinces do not participate. On the other hand, we will not forgo our right to make grants to provinces to help them in programs such as medicare which are provincially administered; and our right to relate such grants to the acceptance of certain principles which, in our view, justify the expenditure of federal funds for provincially administered schemes. It is then for the provinces to decide whether they wish to co-operate on this basis.

Mr. Speaker, I think this is a most reasonable and fair approach. It ensures federal initiative and invites provincial co-operation to fill a need of the Canadian people.

This federal program with its universality feature will also bring social justice to all Canadians. It is welcomed by our citizens and by welfare organizations, and praised in editorials across the country. Mr. Justice Emmett Hall, chairman of the royal commission on health services, has refuted the arguments made by some provincial authorities and some critics in this house who want to postpone indefinitely a national medical insurance plan in favour of education by declaring in Ottawa last November:

> There cannot and must not be any question of conflict or of priority between the needs of better education and good health.

Furthermore, not only social justice but also economic progress could be served by the early implementation of a national health insurance scheme. It is estimated that in 1965 illness caused a loss to our economy of approximately $630 million. I am certain that much of this loss might well have been prevented if adequate health services had been available. Therefore, Mr. Speaker, we cannot afford to deny or postpone indefinitely in Canada an adequate medical insurance plan.

The other parts of the objectionable Conservative amendment can also be shown to be without a sound foundation. The present federal scheme does recognize the principle of free choice in the doctor-patient relationship. The scare of state medicine of socialist countries cannot be justly applied to the federal scheme we are debating.

The third part of the amendment crying for adequate prior provision for sufficient medical research and training of medical and paramedical personnel appears to forget the steady progress in this field since the introduction by a Liberal government in 1948 of the national health grants which poured out millions of dollars for public health facilities, professional training, research and hospital construction. This was continued during the administration of the right hon. Leader of the Official Opposition (Mr. Diefenbaker). This part of the amendment also overlooks the further increase in health facilities and personnel provided by Bill C-199, the health resources fund, which will provide $500 million over the next 15 years. I cannot understand the forgetfulness of the opposition with regard to such a recent act passed by this house on June 27 of this year.

The last part of the amendment, Mr. Speaker, is also untenable. Our provinces have for many years financed the cost of

medical services for persons on public assistance and those in need. The outpatient departments of our hospitals and the public ward beds are filled with patients who receive adequate medical care free of charge or at a very minimal fee. Furthermore, this type of need is now being provided in greater measure by the Canada Assistance Plan also introduced by this government and enacted by this parliament last July.

Mr. Speaker, during the debate on the Hospital Insurance and Diagnostic Services Act in 1956-57 and 1958 objections similar to those we hear now from opponents to medicare were heard. But parliament, in its wisdom, passed that bill providing universal hospital insurance. True, there were differences, difficulties, objections and problems but parliament did not wait for perfect circumstances to institute the Hospital Insurance and Diagnostic Services Act. It was passed in 1957 and since that time we have learned many lessons, gained much experience and satisfaction.

The goal of an effective hospital insurance program was achieved by the co-operation of the governments, hospital trustees, doctors and the public. With diligence, dignity and understanding on the part of all parties concerned, a universal hospital insurance plan initiated by the federal government became a success. I believe that no Canadian today would wish to be without our hospital plan. I also truly believe that the majority of Canadians do not want to be without a national health insurance plan.

• (1:20 p.m.)

Many remarks have been made by hon. members since the commencement of this debate. Most of them were very favourable and included interesting suggestions and constructive criticism. After all, in our parliamentary system it is customary and useful to test in the crucible of debate whether good legislation can be improved. The majority of Canadians, approximately 12 million, are fortunate in having some form of prepaid or government subsidized medical plan. However, today approximately 7.5 million Canadians have no medical insurance except for the medical diagnostic services provided by the Hospital Insurance and Diagnostic Services Act which was introduced in 1957.

But every day now in Canada more and more Canadians have access to health insurance because of the introduction of provincial medicare plans which are now available in

Ontario, Alberta, British Columbia, Saskatchewan and Newfoundland. It is of interest to note that the earliest health services plan was Newfoundland's cottage hospital medical plan, which dates from 1934. The Saskatchewan medical care insurance plan began in 1962, the Alberta medical plan in 1963 with extensions in 1966, the British Columbia medical plan in 1965 and, of course, in my province the Ontario medical services insurance plan began in 1966. The Saskatchewan and Newfoundland plans are universal in coverage; enrolment in the other plans is on a voluntary basis. Together, these five provincial health insurance plans cover about 4 million Canadians. In particular, approximately 1,700,000 people are enrolled in the Ontario medical services insurance plan, or 25 per cent of the population of Ontario.

From the British North America Act, Supreme Court decisions, declarations of royal commissions and federal-provincial arrangements and negotiations, we regard health matters today as mostly a provincial responsibility. But since it has been customarily the primary objective of the federal government in the health field to assist with the development of vital and essential services on a nation-wide basis, this government's action in offering financial contributions to provincial health insurance plans is most welcome. This federal initiative will also meet, I am sure, the need to develop comparable standards of health services across this vast country.

May I reiterate, Mr. Speaker, the accepted principle that adequate standards across the country should always be maintained as much as possible. Not all the medical plans now operating provincially provide the same benefits. The British Columbia plan, I learn, provides such additional services as physiotherapy, special duty nursing, chiropractic and naturopathy services without additional charge. May I add that I have received many communications from my constituents that there is a great need also for insured ambulance services. But above all, the great discrepancy in premiums is a serious complaint that is often heard from our constituents.

In Saskatchewan, a province less affluent than Ontario, the premium, which covers about 25 per cent of total costs, is only $24 for a family. In the affluent provinces of Alberta, British Columbia and Ontario the family premiums are in the order of $150 per year. I again ask the question: If the federal government is going to pay half the cost of provincial health insurance plans, why could not the provinces reduce the annual premiums of their plans?

Mr. Speaker, I know it is very difficult to satisfy everybody and that no plan is absolutely perfect, but in trying to produce a health insurance plan for Canadians we should strive to come up with the best possible plan. Therefore I appeal to all members to support this bill. We should all be proud to be part of this federal parliament which has been given the privileged opportunity to make available for Canadians a national comprehensive health insurance plan.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, the address of the parliamentary secretary to which we have just listened was obviously made to support the government's position because of the embarrassment which they feel, and what he said is in no way realistic so far as the Canadian people are concerned. The hon. member mentioned at length the plans that exist in the provinces. He even referred to how they were instituted. I remind him immediately that there are now four plans in operation and not one was instituted by a Liberal government.

Some hon. Members: Hear, hear.

Mr. Winkler: I repeat, Mr. Speaker, that not one was instituted by a Liberal government, and I dare the hon. member to deny that statement. What is more, a fifth plan will be in effect soon and it will be instituted by a Conservative government. I believe that such nonsense as was delivered by the hon. member demands an apology even to us on the opposition side of the house. When I think of the things from which the Canadian people have benefited in the course of this year, 1966, because of the action of the opposition, I sometimes wonder what this government is doing.

I believe that some of the ministers of the government are afraid to come into the house. Last night I tried to get the Minister of Agriculture (Mr. Greene) into the house in order to learn his position with regard to milk subsidies. He would not come and sent his parliamentary secretary. I think of the position in which he has put himself with the farmers of this country and I have come to the conclusion that the government will find itself in exactly the same position with regard to medicare.

The previous speaker said he cannot understand the position of the opposition because

of some of the arguments we have put forward. I tell him right here and now that so far as the hon. member for Kamloops (Mr. Fulton) is concerned, I am not too far away from his thinking. I can morally vote against the bill as it stands, if the government does not accept our amendment, and can certainly make my position clear so far as my constituents and the people generally are concerned.

Can we not have universality without compulsion? Certainly we can. Can we have a comprehensive plan without compulsion? Certainly we can, and hon. members opposite know it. I give the minister credit here because I believe he is changing his views slightly in this regard. I do not say that in a deprecating way but, if he will allow me to do so, in a flattering way.

I do not know why so much concern was expressed by the previous speaker, in view of the fact that we will have to wait such a long time before the plan is instituted. Hon. members opposite will be lucky if every province does not have such a plan by that time. I know there are a few provinces which are not in a fortunate enough position economically to institute such a plan.

Mr. Haidasz: What is the target date of your plan?

Mr. Winkler: If the hon. member had listened to us he would know that for 30 per cent of the people who need it would be January 1, 1967. Let there be no mistake about that.

• (1:30 p.m.)

Subparagraph (d) of the amendment reads:

(d) immediately provides for those persons who are unable, for financial reasons, to provide medical services for themselves.

We mean that. As a matter of fact, the hon. member may well justify his position as a doctor by supporting this amendment, and I think he knows it. When the hon. member tells me that he hears a lot of complaints from his constituents about the diversification of the various plans now in effect, the inequality of coverage, the difference in premiums and so on, let me tell him one thing. I come from a rural constituency which also has a reasonable amount of manufacturing industry. I have worked in that industry and I have been a member of their union. These men are telling me: "15 years ago our pay cheques used to have a little stub at the end showing deductions. Now our pay cheques have still another deduction. Tell the government to keep our pay cheques and tell us how much we can spend." That is the state to which you have brought these people. These people have bargained for some of the medical protection they now have. I am not so sure they want the plan that is now being offered.

I also find there is a great deal of reason behind the thinking in the province of Ontario because I do not believe anyone in the house will deny the fact that the taxpayers of the provinces of Ontario carry a substantial burden in this country. I have said this before and I say it again with pride. They are prepared to say: "All right, put your plan into effect. Give the provinces the rights that are constitutionally theirs, but for heaven's sake do not make us pay for something we do not want." I think the hon. member subscribes to that very statement, unless I am wrong, but of course all members on that side of the house will stand up and vote for the bill whether it is right or wrong.

I believe that the principle of freedom of choice in the plan is an extremely important one, and I say that with all deference to the people in the profession as well as to those who will be covered by the terms of this bill.

Furthermore, I hope I do not have to remind any member of the house of the effort and time spent in trying to bring the government and the minister to the realization that the necessity for increasing old age security pensions at this time is equally important. It may be even more so when we realize we have to wait for two years for this piece of legislation to become effective at a time when the people who need additional money because of inflationary trends—I do not have to remind you who is responsible for them—require this money for the basic necessities of life. I believe that my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), will join me in our combined fight for increases in old age security payments. I do not think he has changed his view and I certainly have not changed mine.

Mr. Haidasz: Your filibuster is only prolonging the delay.

Mr. Winkler: I remind the hon. member that it will be pretty difficult for us to talk for two years. You do not have to worry about that. If the hon. member is referring to increased old age security payments, then let his party postpone this bill and we will give them our approval in a hurry. I can assure him of the support of our caucus for that piece of legislation.

I have in my hands an editorial from the Toronto *Globe and Mail* dated October 12 and outlining in detail the editor's point of view in regard to medicare. I will read for the record the last paragraph of that editorial because it is very relevant. It reads as follows:

> This is what can happen when a timetable is given priority over circumstances and judgment. It is not the best way to ensure that Canadians get the best medicare available.

With that I agree. However, this is prefaced by the errors which the government made in instituting the Canada Pension Plan. I am not very proud of standing here this afternoon and saying that I voted for the Canada Pension Plan, and if I had to do it again I would vote against it, proving the truth of the article.

I must say, Mr. Speaker, that I was somewhat dismayed to read the article in the *Globe and Mail* this morning headed, "Medicare Bill Runs Into Tory Roadblock". If our position in regard to medicare is a roadblock, then I think the author of this article had better read *Hansard* and take a look at our amendment which is a constructive one.

Mr. Orlikow: It is a killing one.

Mr. Winkler: It is not a killing one. As I stated before, if you want to bring medicare in immediately we will support the date of January 1, 1967. I have the support of every member of the Conservative party on that.

Mr. Knowles: The government postponed it for two years but you are postponing it forever.

Mr. Winkler: Of course that is totally wrong. The hon. member just has to look all across the country wherever medical plans are in operation, and I think my hon. friend knows that very well.

Mr. Pickersgill: Mr. Speaker, I wonder whether I could ask the hon. member a question?

Mr. Winkler: I am always delighted to have the Minister of Transport ask me a question.

Mr. Pickersgill: Can the hon. gentleman tell us whether this is his bid for leadership?

Mr. Haidasz: Fulton killed his last night.

Mr. Winkler: My aspirations in political life are to serve Canada and all its people.

Mr. Pickersgill: That sounds like a leader.

Mr. Winkler: I will put it this way, Mr. Speaker. If the Minister of Transport feels that the need for a leader in his party is that great, I will certainly cross the floor.

Mr. Knowles: Don't you think they have enough Tories over there already?

Mr. Winkler: Mr. Speaker, I believe that initially the Minister of National Health and Welfare (Mr. MacEachen) brought in this plan at the time he felt most appropriate to get the support of most of the provinces. Today we know that most of the premiers do not particularly favour the plan which the minister has presented. I am not saying this in a political vein; I am being practical about it. Then we had the innovation whereby the Minister of Finance (Mr. Sharp) delayed the plan until mid-1968. If it has been delayed for economic reasons, and it may well have been so, then I think the government should re-examine its position in regard to other projects which have been mentioned by the government such as the scholarship plan which was also withdrawn.

• (1:40 p.m.)

I do not see how the withdrawal of the scholarship plan would affect this particular piece of legislation now that it is delayed until 1968. Indeed, the Liberal government is considering many other expenditures which might well be deferred, and although the minister made a remark on the position taken by Mr. Hall I still think that the money allocated to education and to the implementation of this legislation should have priority. This has not been done and therefore we can only conclude that the Minister of Finance made his decision very hastily and probably without the agreement of the Minister of National Health and Welfare. I do not think that it was for personal reasons, although I must admit that the Minister of Finance (Mr. Sharp) is beginning to look a little better every day as the weak ones fall by the way. He is coming forward in great style. I do not believe that the Minister of Transport (Mr. Pickersgill) was serious when he made those remarks a few moments ago. I think that the Minister of Finance is proceeding well in the right direction.

Mr. Knowles: May I ask the hon. member a question?

Mr. Winkler: Yes.

Mr. Knowles: Is he suggesting he would like to have the Minister of Finance as leader of the Conservative party?

Mr. Winkler: You can make your own suggestions and I will make mine.

Mr. Knowles: That is where he belongs.

Mr. Winkler: I return to the medicare proposal before us. I agree with those who have referred to the important factors of training of personnel and the availability of beds and the fact that the current level of federal support for construction of hospital beds is totally inadequate. I believe it was pointed out by someone that the capital grants supplied by the federal government have not increased since 1958, when they were increased 100 per cent by the then Conservative administration. I say to the minister that consideration ought to be given to increasing those grants again by 100 per cent.

I should like to know, Mr. Speaker, what changes have taken place in medical practice. I should like to know, for instance, what changes have taken place in Saskatchewan and the other provinces so far as general practitioners are concerned since the introduction of medicare. What movement has taken place? Have these men gone into institutions to operate in a combined way or is the trend still for the general practitioner to stay in private practice, particularly in the smaller municipalities and in the rural areas? I believe this trend is becoming very apparent across the country and the people of Canada will find increasingly that they are not going to have the personal type of service to which they have been accustomed in the past.

As a result the cost of the program is going to be great, I believe above the level of which anyone is thinking in 1966. Why is this so? It is so because doctors will not make themselves available beyond ordinary working hours except, as I said, on a co-operative basis. One can hardly blame them, since the government would be controlling their lives. I say to the minister, therefore, it is more important than ever before that he consider freedom of choice from the doctors' point of view as well as from the taxpayers' point of view. I beg the minister as well as the government to see that this principle is maintained, no matter what happens to the bill.

I should like to say one more thing with regard to practitioners. I believe that any professional man who is capable of supplying a service, which service is covered under the terms of the bill, should be allowed to render that service in the same way as if he were entirely eligible under the bill. As an example, I would cite optometrists who would be able to offer certain services, which I understand would be available under the bill but only through an ophthalmologist, at less cost and on a wider basis than the medical profession. The service could therefore be rendered in smaller areas. I should like to see that principle carried through as far as possible in every application of this bill. If we are going to offer the maximum amount of service to Canadians, I think we should involve the maximum amount of Canadians in offering that service because they may well perform certain functions that are necessary under this legislation.

So, Mr. Speaker, I conclude my remarks by saying to the minister and the house that it is not the intention of this party in any way to stop the bill, as someone on my left has suggested. This is far from our minds. We believe that the terms of the amendment before the house are good ones. We believe that they are worthy. We believe, first and foremost, that with two years to wait it is the responsibility of the government now to call the premiers of the provinces back to Ottawa to find a common denominator on which they can agree so that the bill will be a truly national bill, so that the constitutional rights of the provinces will be maintained and so that we as federal legislators will have done our duty to the people of Canada.

Mr. Keith Hymmen (Waterloo North): I wish to make a few remarks, Mr. Speaker, on the second reading of Bill No. C-227. It is not my intention to delay the passage of the bill because it is, of course, a very important piece of social legislation which will be added to the many other pieces of such legislation on our statute books, most of which were introduced by Liberal governments. I might qualify that remark because I am well aware of the fact, as many other members are, that the previous Conservative government did finalize the hospital services bill, a bill which was conceived by the previous Liberal government.

I know what the hospital services bill has meant not only to the province of Ontario but to the people of Canada in providing additional facilities for people who are in need of hospital services. Having served for some time at a much lower level of government, I know what the hospital services bill has

meant to the municipalities. Prior to the passage of this legislation there was a continual charge on the municipalities for operating services. Now, under the provisions of the hospital services bill, hospitals are able to pay their own way with some small provision for capital expansion.

During this debate several members have raised the question of additional allowances for hospital beds. This, of course, is a very important matter and was introduced yesterday by the hon. member for Simcoe East (Mr. Rynard). Some references were made yesterday and today to a certain meeting in Ottawa. I should like to identify that meeting. It was the 1966 convention of the national Liberal party whose delegates, 1700 in all, overwhelmingly endorsed the responsible decision of this government.

• (1:50 p.m.)

While the delegates and the members on this side of the house were disappointed at the delay of medicare, which was to have come into effect on July 1, 1967, the centennial year of confederation, it has only been delayed until July 1, 1968, one year later, and will be implemented earlier if possible. As I have said, Mr. Speaker, inasmuch as the official delegates of a political party to a national convention have accepted the responsible decision of this government, I feel that the people of Canada, both those who support the government presently in power as well as those who do not will certainly recognize and accept that a responsible decision has been made.

Many other matters are involved in addition to the $40 million which it is estimated it will cost the Dominion of Canada to finance medicare. We are in a time of unprecedented prosperity which contrasts strongly with the situation we had just a few years ago. Even though we have so much and are producing so much, sometimes we have to sit back and, irrespective of promises which were made in good faith, decide whether or not in the interests of preserving the growth and development of this country we can afford to implement this legislation at this time, albeit an important piece of legislation.

I referred to the address given yesterday by the hon. member for Simcoe East, who I know conscientiously represents in this place not only his constituents and the people of Canada but also his profession. This is true of other members of the medical profession such as the hon. member for Parkdale (Mr. Haidasz), who has just spoken, the hon. member for Hamilton South (Mr. Howe) and many others. We need the co-operation of the medical profession which, according to standards of comparison, is a very excellent profession. Within its limited facilities it has provided over the years great service to the people of Canada, has assisted in research development, and has brought forward new ideas and new cures for the sick.

I mentioned that this was a very significant piece of legislation, as is other legislation such as the Canada Pension Plan, the Canada Assistance Plan, unemployment insurance, youth allowances and many other acts, all of which have provided much to the very fortunate people of this very wonderful and prosperous land. Perhaps I am a bit too realistic, but among many letters I have received from my constituents is one asking for additional assistance for people receiving old age assistance and who require additional help. The day after I received that letter I received another from a constituent who wanted a great deal more assistance for underdeveloped countries, a plea which was very eloquently expressed by one of the speakers at the convention held this week to which I have referred. Some members of the Canadian community are concerned about others and are very critical of what we do for our own people. Conversely, some people want everything for themselves and have no concern at all for less fortunate people.

As I said earlier, Mr. Speaker, I do not intend to speak at great length on this matter. I was sorry I was not able to hear the introductory remarks of the Minister of National Health and Welfare yesterday because I always enjoy hearing him. Unfortunately I was called out of the house at that time. But I should like to congratulate him on bringing in this legislation and on the very co-operative stand which he has taken under circumstances which were rather difficult.

When this legislation becomes law, Mr. Speaker, it will provide complete medical service for all Canadians. As I said in connection with the previous bill, this bill is not designed for a great many people in my constituency in the province of Ontario but for those who never have had and never would have had an opportunity to obtain even minimal medical assistance in this country, a country where every citizen should receive this assistance as a basic right and be provided with medical services whenever they are needed.

Medicare

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when this medicare legislation was introduced last summer we in this party welcomed it very enthusiastically as something long overdue and very much to our liking. We felt it was sure to be welcomed very much by everyone across Canada. It is a curious thing that today we are now playing the role of trying to save this legislation. The government is playing the role that for purposes of propaganda only it is going to submit the legislation to the house and then turn around and by making amendments kill it, ably assisted by members of other groups in the house.

I want to make abundantly clear that we in this party recognize what is going on for exactly what it is—a betrayal of medicare. I also want to say that people across the country in their thousands are going to recognize this for what it is—a betrayal of medicare. The bill as it will be sought to be amended by the government will not provide genuine medicare of the type we were going to support and for which we were going to vote. It will have been mutilated in three or four respects, thus depriving the people of Canada of what they need. The biggest mutilation of the bill is that it is not going to come into effect until at least a year later than it was supposed to become effective, namely, not until July 1, 1968.

• (2:00 p.m.)

I was very much interested to discover that apparently the government has taken the precaution of obtaining the signature of the finance minister to the provision that the bill should come into effect not later than 1968. I remember it was also necessary to obtain the signature of a prime minister of this country much earlier in time so as to make it possible to get on the books the first social security legislation providing old age pensions. For some years the Liberal party had been promising old age pensions but nothing had happened. It was only when a couple of members representing labour obtained the signature of Prime Minister Mackenzie King that finally there was leverage enough to obtain passage of the old age pensions legislation. It is interesting to note that this time it is the Liberal party itself which has taken the precaution of obtaining the signature of the Minister of Finance (Mr. Sharp), who is quite evidently the strong man of the cabinet today, to try to ensure that medicare will not be delayed even beyond July 1, 1968. It may be

[Mr. Hymmen.]

that this will not be sufficient to prevent yet another sell-out.

This manoeuvre on the part of Liberal governments of promising, promising and promising, getting elected on promises and then discovering suddenly that economic conditions unfortunately will not let them carry out their promises, is nothing new. In my province of British Columbia we have had Liberal governments too, and they have promised at elections that medicare would be brought in. It was called health insurance in those days. During the 1930's the promise was made by the Liberal party, as it ran in successive elections, that we should have health insurance. Each time we were told, as an explanation of the failure to implement it, that "regrettably this cannot be done at this time". The members of the Liberal party in that legislature fell into line just as those of the Liberal party in this parliament are falling into line.

During an election in 1936 they had to go so far as to put health insurance legislation on the statute books of British Columbia. In my hand I hold an act, not a bill, to bring about health insurance in British Columbia. This measure was passed, signed and assented to by the Lieutenant Governor of British Columbia in 1936. But it has never been proclaimed by a Liberal government since that time. So, Mr. Speaker, some of us are understandably dubious whether even the signature of the Minister of Finance on the dotted line will ensure enough leverage to get this measure through by 1968. The date of the act in my hand is April 1, 1936 April fool's day. That was a cruel April fool's joke if ever there was one. I think that what is being perpetrated at this time is a Halloween hoax which may go on for a few years yet. I say that because each time in the past, despite honest intentions here, there and everywhere, it has been discovered by the government that conditions would not permit the passage of a genuine medicare bill.

Was the situation different this summer for the people across this country who voted for the Liberal party in the last election? Again, I have one of the party's big advertisements before the last election. Here is the Liberal party's plan for medicare, setting out the four solid points. People voted in the innocence of their hearts believing that the Liberal government, when it said it would do something, would in fact do something. That is the Liberal party for you. The people voted for medicare as set forth in this advertisement. I

believe that the people this summer thought, as we thought, that at last there was to be an honest fullfilment of election promises. We saw in the Minister of National Health and Welfare a man of new ideas who recognized that medicare was a necessity now and should be proceeded with. He had the four solid points of the medicare legislation in mind and he was backed solidly by the Prime Minister. Neither one of them could be shaken either on the date or on the principles underlying this bill. The date was always to be July 1, 1967, Canada's 100th birthday, and the principles were always to be foursquare.

We saw the Minister of National Health and Welfare giving the most precious and the most needed thing to our country at the present time—leadership. But this fall we saw that minister crumple up under the pressure of the Minister of Finance who had emerged as a power with the backing of the big, vested financial, insurance and professional interests in this country which do not want medicare now nor for a long time to come. They do not want genuine medicare. They will never want it. We saw the Minister of Finance simply pulling the rug from under the Minister of National Health and Welfare by saying that medicare could not be brought in this year. There he stands today—I am referring to the Minister of Finance—a russet lion rampant barring the road to medicare. The Liberals behind him are torn between two leaderships.

During the recent convention they did not try to disguise the fact that they are a party not without leaders but with so many leaders that they are riding off in all directions at the same time, getting precisely nowhere. That is a fact that cannot be disguised. As a matter of fact, we have the Minister of National Health and Welfare on the one side, the Minister of Finance on the other, and between them the mass of jellyfish Liberals who wish they had the strength to stand by their principles but who are afraid of the Minister of Finance who is backed by the pressure groups of this country which do not want medicare.

This is the situation as we in this party see it. We have no intention of doing what we are asked to do. We are being asked to rush legislation onto the statute books now when it is not intended to be brought into effect for at least a year and a half. The legislation may never go into effect without being watered down so much that it will not be genuine medicare, and would not be recognized as such by Mr. Justice Hall who has been quoted so often in this house. We will debate this legislation which the people want. Having given the impression that this is the legislation under which it will operate, the government is proceeding to mutilate it and will put on the books something that is completely different, something with the principle of universality undermined. Much worse than that, the government will be opening the door to all the profit-making insurance companies to enter in and destroy the very basis of complete health coverage for everyone, making this measure into some sort of profit-making vehicle, as they have done with other things.

It is perfectly naïve to say that these profit-making insurance companies have certain departments which do not operate at a profit, which are loss leaders and gimmick affairs, and that under this heading the insurance companies will be allowed to come in as provincial carriers. The operations of the insurance companies cannot be separated. They are still profit-making institutions and will destroy the basis of any genuine medicare if they are permitted under the legislation to come in as carriers.

In other words, we are being asked to help to murder medicare and then to build a mausoleum to its memory. We will not do any such thing. We support genuine medicare legislation, and we will certainly have nothing to do with the mutilated version which will be trotted forth by this government and put on the statute books.

The people voted for medicare, they intend to get medicare, and the members of all parties in the house know this. Members of all parties, except those of the party to which I belong, have been wriggling, squirming and twisting the meanings of words to prove that medicare will make a pretty corpse, a dead duck, as a member of the party to my right described it last evening. They have mutilated it in this house while posing as its friend. I think it is worse to have it done to death by enemies who pretend under a cloak that they are friends than by outright enemies, because at least you know what you are dealing with when are dealing with outright enemies.

• (2:10 p.m.)

Each speaker opposing medicare has prefaced his attack by professing his undying devotion to the principles of medicare and to the contention that everyone in this country has the right to full coverage. Then each one

has gone on to do his level best to prevent medicare coming into effect. The Progressive Conservative party to my right has introduced provisions in its amendment which it knows will delay medicare until after the millennium if the Liberals are left to introduce it.

I suggest though that there are provinces in this country whose governments have not dared to wait until the Liberal party or, for that matter, the Conservative party, is prepared to take action. The minister and Liberals across the way like the hon. member for York-Scarborough (Mr. Stanbury), who spoke last evening, have attacked medicare by first of all watering down its principles and then by endeavouring to have it postponed indefinitely.

Members of the official opposition have attacked medicare by sheltering behind the undoubtedly serious shortage of doctors and the fact that the premier of Ontario does not like the present legislation. Mr. Justice Hall has often been quoted during this discussion, but there is one statement of his in particular which has not been given, and I intend to read it now because it underlies so much of the report. I read now from Volume I, the first report of the commission, page 91:

> While we are aware that shortages of physicians, dentists, nurses, and other paramedical personnel will make it difficult to establish the full personal health services program our charter envisages, nonetheless the fact that there are shortages must not be used as an excuse to delay initiating programs and plans.

Mr. Justice Hall was appointed by the Conservative government. His name has been used today to prove that medicare should be delayed. It has been used by the Conservative party for this purpose. But Mr. Justice Hall has said that the fact that there is a shortage of medical personnel must not be used to delay the institution of medicare. I commend this section of the report to those who sit in the Conservative party to my right.

[*Translation*]

The Créditistes base their attack, just like the Ontario Conservatives, on the fact that the premier of their province does not like the federal bill. Therefore, they oppose it too.

[*English*]

Social Credit members do the same thing only in their case it is the premiers of Alberta and British Columbia who are mentioned. I do not think they should be too sure about Premier Bennett. He has a well known habit of opposing a certain measure until he finds out that the people are likely to change the government if he does not himself put it into effect. Then he takes up the measure as if it had been his own plan from the beginning. As soon as public opinion in British Columbia in favour of medicare becomes stronger, and it is growing stronger every day, we shall find Mr. Bennett preparing to advocate medicare as a plan which has been his baby since the beginning of time. That is the way he does things in British Columbia.

So many people pretend to be friends of medicare, those who would water it down, those who would delay it, those who shelter behind the shortage of doctors, those who shelter behind the fact that provincial premiers do not want it. In the meantime they are killing it by whatever means they can.

I say to the Prime Minister (Mr. Pearson) that had the federal government acted years ago we would not have experienced this difficulty with the provincial premiers. It is because the Liberal government refused to take action that the provincial premiers, one after the other, have been obliged to do the best they could according to their lights to meet the needs of the people in their provinces by bringing in what they thought would be a stopgap measure until such time as Ottawa moved. Had the government in Ottawa moved years ago to bring a proper scheme into operation we would never have been faced with the 67 varieties we now see scattered around the provinces. The longer hon. gentlemen opposite postpone the implementation of a genuine medicare program the greater their difficulties will be, because other provincial premiers, according to the resources available to them, will build the best things they can into their schemes and every one of these variations will have to be interpreted and dealt with separately. It will be exceedingly difficult for the federal government to undo the harm which its procrastination has made inevitable.

There is one province in this country which believes in genuine medicare and which has proven its belief in medicare by instituting it. That is the province of Saskatchewan—I do not intend to be modest about it. Saskatchewan was the first province to introduce medicare, back in 1962, and, if there is no other memorial to my leader, the hon. member for Burnaby-Coquitlam (Mr. Douglas), the fact that this program was first introduced in a province which is not one of the wealthy provinces, not one having the largest number of medical personnel, not one with the largest

number of hospital beds, will be a memorial to be proud of. In that province, the C.C.F. government of the day, the forerunner of the N.D.P., had the courage under the leadership of Premier T. C. Douglas to institute a system of medicare identical with the one proposed in the Hall report. The scheme is based on the principles of that report. There was no promising, promising, promising. It was promised before the election and it was instituted immediately afterwards. There was none of this talk about building flexibility; there was action to fulfil a promise.

That government had to fight against all the pressure groups concerned, because they knew it was the first pilot plan in the country. That government had to lose its life in the process because it was the fight over medicare which in a large measure enabled the marshalling of all the forces opposed to it. But that government which lost its life in the process brought new hope and new help to the people of Saskatchewan in doing so.

If there be any in this house who still think that medicare in Saskatchewan is an evil thing or that it is likely to be displaced in the near future, I should like them to tell me how it is that the premier of Saskatchewan, Mr. Ross Thatcher, a sworn foe of public medicare for a long while, has not dared to repeal the legislation.

• (2:20 p.m.)

Hon. members to my right have talked about all the difficulties and trials of the national health scheme in Britain. Undoubtedly there have been difficulties—trials and difficulties of all kinds. I would like to ask how it is that several Conservative governments have been in power in Great Britain since the time medicare was instituted there and yet they did not repeal this "terrible" piece of legislation? The answer in both cases is the same. Neither in Saskatchewan nor in Britain would a Liberal or a Conservative government dare to repeal medicare because the people, having once tasted of medicare, would have no more of this housebroken variation that is being trotted out before elections by our Liberal friends and carefully tucked into mothballs afterwards, ready for the next election campaign.

How is medicare getting on in Saskatchewan? To answer that I quote briefly from a dispatch of the Co-operative Press Association issued in September, 1966. The facts in it can be easily checked. It reads:

> Opponents of medicare, who prophesied that the costs of a comprehensive plan, like the one set up by the former C.C.F. government in Saskatchewan, would steadily mount, are being confounded by the facts. The costs of the medicare plan in Saskatchewan are now actually going down.
>
> The Liberal government of the province, upon taking office, raised the premiums without waiting to find out from experience if it was necessary, but they have found no reason for any further increase and have announced that the premium rate for 1967 will be the same as for 1966.

Yes, Mr. Speaker, other things will go up, the things that are run by private business, but medicare premiums in Saskatchewan will be same in 1967 as they are in 1966.

> When the C.C.F. government first set up the plan the rates for combined hospital and medical insurance were $72 for families and $36 for single people. After the plan was well launched the C.C.F. reduced the premiums to $52 for families and $26 for single people. When the Liberals took office in 1964 they almost immediately raised the rates again to their original level. Now they are making money on the plan and may have to face a public outcry for a return to the lower level set by the C.C.F.

These are the facts when one gets done with all the windowdressing, electioneering and all the other things that go along with a lack of will to institute medicare.

We hear much about the terrific fight which the Canadian Medical Association put up against the institution of medicare in Saskatchewan. Members of that association did, but even for them the proof of the pudding is in the eating. The strongest indication that the plan was being successful in every way came at the time of a meeting of the general council of the Canadian Medical Association in Edmonton this summer. At that time Dr. E. W. Barootes of Regina, who had been one of the most vigorous leaders of the opposition to medicare, told his colleagues that some of his profession's fears about medicare had proved unfounded.

Dr. Barootes made a courageous admission when he said:

> Some of the qualms we have had have been disproved and some of us should revise our thinking. The idea that total medical care results in constantly mounting costs has been shattered.

Then he went on to say that the fact is that the total cost of Saskatchewan medicare dropped last year by $500,000 from $23 million to $22½ million.

> He said in an interview later he could not explain why medicare costs have not shot up as he and other doctors had predicted. He said it may be

because Saskatchewan residents have been saturated with medical service—that they now have been treated for all the ailments that, before medicare, went untreated.

That is one of the things I would like to stress today. It is said that medicare will cost more and more and that doctors are opposed to it. Well, Mr. Speaker, do you know one of the things doctors in Saskatchewan fought the hardest for was to get the right to practice outside the plan? Having secured that right, during the first year of operation in Saskatchewan only 6 per cent of doctors' patients sent in bills separate from the medicare plan. Only 6 per cent of the doctors exercised the option to go outside the plan. Even the doctors are coming around to the idea that medicare is something which is good and valuable for the people of Saskatchewan.

Last evening my colleague from Hamilton South spoke about the costs of administration. In the Saskatchewan plan the cost of administration has been about $6 out of every $100, just 6 per cent, but the Hall commission report shows that private insurance plans in Canada use 28 per cent of every dollar for purposes other than direct aid and benefit to patients. To any government that was in earnest about medicare these facts would speak loudly enough for it to implement the scheme. The pilot plan has shown that it works. Nothing is lacking today except the will to proceed with the scheme.

The scheme could have been proceeded with if the Minister of National Health and Welfare (Mr. MacEachen) had had the strenght to stand up against his colleagues in the cabinet and against powerful lobbies across the country. It could still be proceeded with if those in the Liberal party, occupying both back and front benches, could only see the handwriting on the wall before it is too late. I say, and say strongly, that the people of this country want medicare and they don't want it in heaven; they want it now and they are going to get it.

The next place where the government is going to get a very rude jolt is in the Ontario elections when they roll around next spring, because I prophesy now that government members will discover that the people in the province of Ontario are not satisfied with the makeshift medicare plan there which does not incorporate the foundations of universality and complete public administration of the program.

[Mrs. MacInnis (Vancouver-Kingsway).]

I cannot conclude without giving another quotation from the Hall report, a report which has been much bandied about, with bits taken out of it here and there that do not reflect the whole spirit of that report. This is from page 18 of Volume II where Mr. Justice Hall says:

The right to education is one now universally recognized in Canada. It is an entrenched right which no one would dare to challenge. It is now beyond question that all our young people must be better educated and more competently trained if Canada is to survive in this highly competitive age of specialization and automation. It is equally true that health services are as much an investment as education. Health services and education must now be regarded as twin endeavours, advancing mankind. Neither will attain its full potential for good if one is allowed to lag behind the other. Progress in one must be paralleled by progress in the other. The fruits of this progress must be available to all—not just to those whose incomes are high enough to pay the permiums demanded to provide coverage against expenditures for physicians services alone, but to everyone, and for the whole range of health services, including hospital care, dentistry, drugs, home nursing, and optical services.

I say that that also includes optometrists, chiropractors and other health service people who are not yet being let in under the wire of the physicians' profession. This is what Mr. Justice Hall has recommended, and I firmly believe that the people of Canada are determined to have medicare and will not wait for it forever. After what has happened, their feeling now is that they have been duped once more.

• (2:30 p.m.)

If the government is not going to give it to them, then they will elect a government that will. In my province we have a premier who manages to do quite well about staying in office. Before elections he opposes new policies violently and says they are impractical. Then he turns around when he sees the strength of the opposition and spends his time implementing the impossible policies of his opponents in order that they will not replace him at the next election. I commend this recipe for longevity to hon. gentlemen and the hon. lady opposite. Unless they implement medicare and get it into operation very shortly their chances for survival not only as the government but as a party across this country are very bleak indeed.

Mr. Melvin McQuaid (Kings): Mr. Speaker, I suppose it would be rather academic at this time to discuss the fact that the medicare program has been delayed. I am prepared to accept the government's word that there are

adequate reasons for delaying it, but I am rather disturbed by the fact that promises in respect of medicare have had a very serious effect on the thinking of some our people, particularly at election times. I have in mind particularly the experience of my own province where a provincial election was held this summer during which time promises in repect of medicare were blatantly flouted. It is my conviction that this did have quite an influence on the voters and that partially as a result of their belief that medicare would be put into effect they elected a Liberal government in Prince Edward Island.

It is also rather interesting to note that after the results of that election had been declared the Prime Minister (Mr. Pearson) told the people of Prince Edward Island that medicare was coming into effect. He had just made a trip to Newfoundland and he decided to visit Summerside to congratulate the new Liberal premier. During the course of the conversation with Mr. Campbell I understand he said: "We cannot stay too long; we are in a hurry to get back as we are putting through medicare tonight." That was on July 13, but apparently "tonight" is not going to arrive until July 1, 1968.

It is also rather surprising that the government and the minister have not consulted to a greater extent with the Canadian Medical Association before the introduction of this bill for second reading. I understand the minister promised the executive of the Canadian Medical Association that before this bill was presented for second reading in this house he would confer with the executive officers of that association. I understand this association asked for this conference just days before the bill was actually introduced, and it was set for October 17.

Let me make it abundantly clear that I believe in the principles of medicare and it is most unfair of any member of this house, including the hon. member for Vancouver-Kingsway (Mrs. MacInnis), to suggest that merely because we stand up on this side to propose what we feel are improvements to the bill we are against medicare. Because we on this side suggest how we think the bill could be improved does not necessarily mean we are opposed to the principles.

I am in favour of the principles of medicare because I think it is in the public interest that medical service insurance be made available to Canadians. However, I cannot go along with the inflexibility of the requirements for participation as outlined in the bill before us.

A statement made by a past president of the London, Ontario, chamber of commerce impressed me and I should like to repeat it at this time. He said:

> A little flexibility in the federal government's approach to a nation-wide medical care scheme would enable the provinces to develop plans best suited to the needs of their own people.

That seems to sum up the situation very well. There must be a more rational approach which will allow provinces to decide the form of the plan they wish to introduce. That is particularly important in those provinces which feel at the present time that they cannot afford to institute a plan to cover all their residents. The minister recognized this problem when he spoke in the house on July 12, 1966, as reported at page 7546. At that time he said:

> At the same time not all of the provinces have the same fiscal capability of providing such programs or of meeting the costs of programs designed for all residents. Thus, although Canada is one country a Canadian resident of one province may be at a distinct disadvantage when compared with a Canadian resident of another province.

That suggests the exact situation in which my province finds itself at the present time so far as medicare is concerned. As closely as I can estimate, the cost of a medicare program in Prince Edward Island on the basis of the requirements set out in this bill would be $1½ million. This money would have to come from the people of our province whose per capita income is the lowest of any province in Canada.

I have before me a report of the Economic Council of Canada which I think will give hon. members an idea of the problems we must meet in the Atlantic provinces. This study revealed that the average earned income per capita in the Altantic region was 34 per cent below the national average, 47 per cent below British Columbia and a staggering 52 per cent below Ontario.

Translated into dollars and cents, these percentages mean that while employees in the Atlantic provinces receive an annual wage of $3,033 the national average is $3,810. In Prince Edward Island the situation is even more acute because our average weekly wage is $63.06 as compared with the Canadian average of $93.51. Can our province therefore afford to go further in debt in order to provide a comprehensive medical scheme? Right now we have a total debt, direct and indirect, of something of the order of $60 million or about $555 per capita.

Premier Campbell has already said that Prince Edward Island cannot afford a medicare scheme unless it gets a better share of tax money. The Minister of National Health and Welfare (Mr. MacEachen) suggested in this house yesterday that he expected the co-operation of all provinces. Prince Edward Island is one province which has already served notice on the government that it cannot co-operate unless it gets a better share of federal money. It appeared at the preliminary conference held here in Ottawa just a few days ago that Prince Edward Island stands to gain only about $200,000 or $2 per capita. Is it any wonder that Premier Campbell told his confrères here in Ottawa that this increase amounted to merely a skunk bounty? That is what the premier thinks of the generosity of the federal government so far as the province of Prince Edward Island is concerned—a skunk bounty. The premier reiterated his stand that in Prince Edward Island we cannot afford medicare on the basis suggested by this bill unless we get a larger share of federal moneys.

• (2:40 p.m.)

At the same conference just a few days ago, while we were promised only $2 more per capita the province of Newfoundland was promised $45 more per capita, and Nova Scotia and New Brunswick $25 more per capita. So the per capita amount is only $2 more for Prince Edward Island, a province in which the personal income is away below the national average and where there are virtually no industrial corporations from which large tax revenues can be derived.

I suggest that this is one of the reasons why the government should introduce more flexibility in this medicare bill. The fiscal reason is not the only one, although it is fairly important. There are reasons other than financial why we in our province cannot go into such a program on a 100 per cent basis at the present time at least. We have at the present time, and we are proud of this fact, a higher per capita number of medical students in colleges than all the other provinces of Canada. At this time 30 of our young people are in medical schools, but unfortunately on the average only one or two of these will return to Prince Edward Island to practice.

The reasons for this are probably academic. First of all, in a small province there is naturally a lack of opportunity for continuing medical education. Second, practising in rural areas, with long hours of work, is not too attractive to young men entering the medical profession today. Unfortunately, too, in many cases the remuneration is not as adequate as it is in other provinces. So we lack in our province today sufficient doctors, I suggest, to implement this plan on a 100 per cent basis.

There is a serious shortage of doctors in our province, just as there is in the whole of Canada. At the present time there are only 67 practising doctors in Prince Edward Island. At least 10 of these are doing specialist work. This leaves about 57 doctors in general practice to service 108,000 people, or one doctor for approximately every 1,900 people. In the constituency I represent the situation is even worse. We have a population of approximately 18,000 and we have only seven practising doctors, or one for every 2,600 people. I most earnestly suggest that with this serious shortage of doctors we cannot provide adequate, competent medical services to all our people.

I suggest quite seriously to the minister that perhaps it is not necessary at the present time, although we favour medicare, to institute it with such a broad coverage, particulary in respect of those provinces which cannot afford it and are not equipped for it. I am convinced that there is a large body of people who need free medical services, who need to be relieved of the stress and strain of what may happen to them should they suddenly become ill. I notice that the report of the special committee of the Senate on aging, published in 1966, has this to say with reference to the income status of older people, who are among those we are chiefly interested in now:

> Without question the most serious problem encountered by the Senate committee in the course of its investigation was the degree and extent of poverty which exists among older people. Witness after witness at the hearings spoke of incomes insufficient to ensure proper food, housing and medical care; and every form of analysis made for the committee, on the basis of the 1961 census and the 1962 survey of income statistics, supported the proposition that older people are a low-income group, and that many of them eke out an existence at or near the subsistence level.

It is obvious, therefore, that people in this category need medicare protection and of course should be provided with it. I have examined the situation in my own province as carefully as I can. It would appear that about 30 per cent of our population are totally self-supporting, that is, 30 per cent of our 108,000 people can, when required, pay for their own medical services without any undue hardship to themselves. About 20 per cent of our population can be quite correctly

classified as indigent. These people very definitely need help. The remaining 50 per cent are in the class that is in between; they are neither self-supporting nor can they be classified as indigent. However, I feel that they too should be given the security of protection against sudden illness so that if they do take sick they will be assured that they will receive adequate medical attention at no cost to themselves.

Therefore, Mr. Speaker, approximately 70 per cent of the people of our province do need medicare right now because only 30 per cent are totally self-supporting. This is the situation in a province which cannot afford to expend the $1.5 million or $2 million which will be required to provide medical services to all our people. I suggest that the 30 per cent who are self-supporting would be perfectly satisfied to go along with any plan which will provide medicare to those who cannot afford it themselves. So if the federal government would give us the $1.5 million or $2 million which would ordinarily be appropriated for medicare purposes in our province, we would insure those people who need insurance.

As a matter of fact, we now have a plan in operation in our province which is working out very successfully. People in receipt of old age assistance, people in receipt of widows' allowances and those in receipt of welfare assistance of this nature are provided by our government with medicare. What the government does is enrol them in the Blue Cross and Blue Shield, so that if they are sick they benefit from these plans.

I suggest that this scheme is perhaps a much more reasonable approach than insisting that out of our own revenues we provide $1.5 million or $2 million to help give medicare to some people who actually do not need it at the present time because their incomes are such that they can take care of their medical expenses as they arise. Therefore I submit that at the present time a compulsory medicare plan is neither necessary nor in fact desirable in our province by reason of its fiscal position and the fact that we have not the facilities with which to provide medical services for all our people.

• (2:50 p.m.)

I suggest that we institute a combination of government and private plans whereby government funds will be made available to the province to provide for those in need and other plans will still be available through insurance companies and so on to those who are financially able to pay their own way. At the present time 47 per cent of our people are enrolled in plans of their own either privately or through employer-employee groups. Such a plan as this would permit our province, which is of course concerned with the ultimate cost of a plan such as the present one, to make its own choice, and I think it is very important that the provinces should be permitted to do so.

The minister said yesterday in connection with subclause (d) of our amendment which states that the plan should immediately provide for those persons who are unable for financial reasons to provide medical services for themselves, and I quote him from page 8625 of *Hansard*:

> I might say that this house has already taken action this session through the Canada Assistance Plan to provide for this very item.

That is not exactly correct, Mr. Speaker. The Canada Assistance Plan does not provide for all of those who for financial reasons are unable to provide for themselves. The plan that we have inaugurated in Prince Edward Island does so because it covers those who are in receipt of widows' allowances, disability pensions or old age assistance. It does not provide yet for those who are in receipt of old age security, but we in our province are only too anxious to see funds made available for this category of people. However, a goodly number of people in our province are already covered—those in receipt of Old Age Assistance, etc—and I think they amount to approximately 10 per cent of our population. I therefore suggest to the minister very earnestly that the plan I have outlined, or something very similar to it, would for the time being give adequate protection to those who actually need it. Perhaps as time evolves and, as we hope, we become richer, our government will be able to provide complete coverage.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, on second reading of Bill No. C-227, an act to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, I would like to make a short and modest contribution.

If I sat here as a Liberal member, Mr. Speaker, needless to say that I would rise immediately to support that bill with the vigorous partisanship which allegiance to a

party implies. And I would be very proud to go over the list of all the social measures introduced and put on the statute books by the Liberal government. I would look at the Conservative opposition with a degree of provocative satisfaction and I would say: "What have you done?" Because it is impossible to escape from that partisan point of view when one belongs to a party.

Of course, if I were a Conservative member, I would remember that I belong to the official opposition and that it is my duty, as a member of the house, to filibuster. I would like to think that I would find reasons to annoy the government and help my party politically.

If I were a member of the New Democratic Party, I would step on the accelerator to promote socialization, and even socialism under all circumstances. And God knows that such a piece of legislation is a favourable one.

If I were a member of Social Credit, I would miss no opportunity to advocate monetary reform. This is another field where, when speaking of the needs of the people one can easily ring the bell of monetary reform.

If I were, like my colleague the hon. member for Sherbrooke (Mr. Allard), a professor of constitutional law, who knows all the shades and the subtleties of these legal matters, convinced as he is that provincial-federal responsibilities have to be protected by conscientious watchdogs who have this ability to study the subtleties of legislation, I would say also, in each of these circumstances, that it is part of my duty to ring the alarm bell and prevent infringement of this constitution governing the relations between the federal government and the provinces.

But, Mr. Speaker, I am just a layman who, moreover, benefits by this favourable condition and does not have to deal with those things. Anyhow, these things have been perfectly well done. I would be redundant in trying to start over again. I am content with gathering what has been said by all the parties, because very constructive things have been said, and we must recognize that this debate has brought light on the subject.

Therefore, very calmly and very objectively, I will be content with drawing from everything that has been said by all parties and thus make this contribution to the bill before us.

First of all, what strikes me, Mr. Speaker, is that I noticed a consensus in favour of the medical care plan. That is reassuring in itself. I think everybody, or nearly everybody, said they were in favour of the principle. That is something in itself. Objections were raised for constitutional reasons, for more specific reasons concerning some aspects of the bill, but I think it can be said for once that everybody agrees on the principle of the bill.

The Progressive Conservative amendment impressed me, Mr. Speaker. At first sight I was inclined to support it and vote for it. I see, for instance, that they ask that consideration of the bill be postponed so that the co-operation of the governments of the provinces of Canada may be secured in the first place. This is a serious argument, Mr. Speaker. It cannot be dismissed without due consideration. The other point does not recognize the principle of voluntary choice by the individual. This is another worthy point. I believe that the report of Mr. Justice Hall mentioned that very eloquently when it says that this should be a basic condition.

The third point is to the effect that the plan will not be satisfactory unless it makes adequate prior provision for sufficient medical research, as well as the training of adequate numbers of doctors and other medical personnel.

• (3:00 p.m.)

To be sure, there is a serious deficiency in this field; the argument is therefore serious. The amendment also says:

> (d) immediately provides for those persons who are unable, for financial reasons, to provide medical services for themselves.

I believe that here also, everyone will agree that the matter is serious.

However, Mr. Speaker, having listened to all the arguments and weighed the evidence, I feel I cannot support the amendment because I fear it will delay the passing of the bill.

I would submit, however, that the government should at least consider the principle of the amendment, consider it seriously as a statement of constructive suggestions which should eventually be incorporated in the bill before us, if they are not already fully incorporated.

But Mr. Speaker, I must say that I share the opinion of the majority and I approve the principle of the bill; I even approve it as it now stands, while recognizing that certain aspects could be improved and will eventually be improved, I hope, following future consultations with the provincial authorities.

To my mind, the most serious objection was raised by my colleague, the member for

Sherbrooke (Mr. Allard), who raised a constitutional objection. For the hundredth time, perhaps, I have gone over the British North America Act to determine exactly what are the respective prerogatives of the federal and provincial governments and, after reading the act, it remains obvious that health matters are a provincial government responsibility. I see nothing, with regard to federal government prerogatives, which would enable it to take over health matters. It is clearly stated in paragraph 7 of the summary drawn up by Dr. Maurice Ollivier, and I quote:

The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.

These are exclusive powers of provincial legislatures.

Obviously, the conditions 100 years ago were different from those in 1966, but the statement is to the effect that health matters are a provincial responsibility.

Moreover, there have been famous instances which showed us that this was a provincial responsibility. For instance, you will remember that in 1930, the Bennett administration had tried to introduce unemployment insurance and that the bill was declared ultra vires, since it was maintained that the federal government did not have the power to collect funds for programs dealing with provincial responsibilities, even if it returned these funds to the provinces.

Mr. Justice Hall and the members of the royal commission were certainly concerned with this constitutional point, since they tell us on page 11 of their report, paragraph 4:

Canada's evolving constitutional arrangements take into account the primary jurisdiction of provincial governments with respect to health matters including staging, scope and administration of health services, as well as the necessity for federal financial assistance to enable each of the provinces to implement a comprehensive, universal health services program.

And further on, on page 14, the commissioners urge the federal government to call together within 6 months all provincial authorities in order to discuss health matters, since it is recognized in the report that provincial governments may not have all the required financial powers to establish such plans.

Nevertheless, the commissioners add something that I find very sensible. I quote:

The responsibility for leadership must be accepted by the federal government and plans made so as to ensure that every phase of the development of the programme is consistent with its over-all objective. The unity of the programme and its application to all Canadians must be safeguarded.

I find therefore, Mr. Speaker, that the constitutionality of the law has concerned everyone who has dealt with the matter. And I find again the same concern in the very title of the bill which reads.

—pursuant to provincial medical care insurance plans.

And further on, in paragraph 1 (a) of section 4:

The plan is administered and operated on a non-profit basis by a public authority appointed or designated by the government of the province—

Therefore, the federal legislation expresses some concern about the important matter of safeguarding the constitutionality of the act. In paragraph 2 of section 4, one can read:

Any such designation—

This is a reference to the responsibility of the provincial authority concerning the implementation of the legislation.

—it is a condition of any such designation that all individual accounts so rendered to which the designation extend are subjected to assessment and approval by the provincial authority and that the amounts to be paid in respect thereof shall be determined by the provincial authority.

Mr. Speaker, I am not a theoretician nor a purist in constitutional matters. I am one of those Canadians raised in a social class where authorities are required to act according to the needs of the people and if I am assured that all those interested in that legislation are basically concerned in protecting provincial rights from the constitutional point of view, I will be satisfied, because I am one of those who believe that the problem of tax sharing between the federal government and the provincial and municipal authorities cannot be solved in a jiffy. It is a matter which should be solved gradually. Surveys have been made and reports submitted in that connection. The opportunity will present itself to hold meetings and I hope that eventually, at the three levels of government, satisfactory arrangements will finally be entered into, the responsibilities of each government will be defined as precisely as possible and sources of income which each government needs to assume its responsibilities will be distributed fairly.

But in the meanwhile, and this is the point I wish to make, can the Canadian people be denied the benefits of medicare. I do not believe so. I should then be given the assurance that those principles which I hold as intangible will always be taken into account

because I believe that from then on, universally acceptable formulas must be sought to meet the health needs of all Canadians. In fact, what is the point of asking the government to try and work towards developing this country's economy if, basically, public health is not adequate?

Therefore, to summarize what I have just said, I have noted plenty of objections, say about ten, that I would like to put forward briefly to express my point of view.

For instance, it was suggested that the bill was to be used for electoral propaganda.

This does not surprise me, it does not scandalize me, for were the plan not carried out by the Liberals, it would be carried out by the Conservatives, by the N.D.P., or by the Créditistes. Then, I think it is impossible to expect that politicians who are concerned about the next election will never engage in electioneering. Therefore, this does not impress me in the circumstances.

Then someone claimed that it was not going quickly enough, that 1968 is a quite remote date. No, Mr. Speaker. I am of the opinion that the theory of the Minister of Finance (Mr. Sharp) was quite justifiable, for if the financial situation of the country is such as they say it is—and I believe it is so; besides we have evidence of this in all the newspapers, and this situation prevails not only in Canada but throughout the world—it might be wise to postpone this legislation. Therefore, his argument is a valid one. It is sound also because it was precisely suggested that all the provinces were not in agreement. There are still five or six of them which do not agree with the plan as it is; they may agree with the principle, but not with the plan in its present form.

Therefore, it may well be that the one- or two year delay for the implementation of the plan will provide an opportunity for all competent authorities to get together and reach an acceptable solution. It was suggested in other places that this is socialism. Well, I am for private enterprise, but inspired by the principles of the great masters of the religion I practice, that is the religion of the Pope and of the bishops, I am also ready to accept a mitigated form of socialism in the field of human needs. For instance, I would probably not accept socialism in trade or industry, or at least, not in all spheres of trade and industry, but as far as basic needs such as health and education are concerned, socialism does not worry me much, especially if we always remember that, in the field of health and education, we will have to leave most responsibilities in the hands of provincial authorities.

• (3:10 p.m.)

It is said that the plan was not intended to be compulsory. Evidently, that depends on the meaning of the word "compulsory". In my opinion, it would be unthinkable to force people to receive medical treatment at one place instead of another. But when national health is at stake, surely we can set some requirements so as to be sure that the careless ones, those who do not care for their health, would not contaminate the others. Therefore, we should be forced to contribute to the plan to some degree, but this obligation will have to be flexible, so that it does not become slavery.

Mention has been made of the shortage of doctors. The matter is serious, and it is a fact. There is a shortage of doctors but, to my mind, that is no reason to delay the passing of the act, for I know efforts are being made to train more doctors in Canada. I see, precisely in the passing of that act, a stimulant toward greater efforts; who knows, it might soon spur the government into granting the universities more assistance toward training better qualified and specialized doctors. I fail to see in the argument a reason to delay the bill. I therefore feel that the Conservative amendment becomes a dilatory amendment; on the other hand, if the argument is serious, it still is no reason, in my opinion, not to pass that legislation.

It has also been said that it would be very costly. Can we afford it? Will the people not overdo it? Of course, it will cost a lot. But I agree with the Hall commission when it says: if we can afford to spend between $600 or $700 million a year on tobacco, if we can afford to spend $700 million on liquor and beer, we can certainly afford to spend $400 million, or rather $800 million the contribution of the provinces included, to safeguard national health. Nor is it a serious argument. It is merely a matter of knowing when, under the present circumstances, the act can become effective. I say, therefore, that the hon. Minister of Finance and Receiver General (Mr. Sharp) has found an acceptable compromise. With regard to this argument, I should like to say something which struck me when it was mentioned earlier: that the provinces known as rich should forget a little their so-called constitutional demands and remember that we are all interdependent to a certain extent and that if, for example, we

felt it was our duty to help underdeveloped countries because all the nations in the world are interdependent, we should apply the same principle at home and the rich provinces should be ready to contribute to the cost of this legislation to help the poorer provinces.

Mr. Speaker, I come back, therefore, to what I was saying earlier. What struck me most was the constitutional argument, and I quoted texts earlier to show that this argument is serious and valid, that it must on no account be dismissed, and that those who, by profession or experience, qualify as defenders of the constitution, must recall it at every opportunity. We must not forget that the most important objective which must be reached as soon as possible is the revision of the constitution and its explanation in some cases to prevent a recurrence of the present clashes and duplication. I think this is something which should be repeated.

Mr. Speaker, even if this is repetitious, I do not believe this bill should be blocked, and I was glad to see that my colleague from Sherbrooke (Mr. Allard) did not seem to oppose the bill in his remarks either, but merely wished to sound the alarm, which he did with a competence which, for my part, I do not possess.

But this leads me to say that my own province is worried, and with good reason, about the fiscal adjustments. In my opinion, there are two kinds of fiscal adjustments, Mr. Speaker. There is one which might mean that, as soon as the bill is implemented, the federal government would give the province the amount of money it would normally be entitled to and expect it to make do with it. It would very likely be the ideal solution.

And I remember that we asked the Minister of National Health and Welfare (Mr. MacEachen)—when the resolution concerning that bill was passed and as a matter of fact I asked him myself—if he would be willing to consider granting a fiscal adjustment to the province of Quebec.

I remember that the minister did not give us a satisfactory answer then. He did not seem ready to accept the principle of a fiscal adjustment with regard to the provinces which, for constitutional or other reasons, cannot accept the bill as it is. I was struck by an article which appeared, shortly afterwards, in a newspaper, *Le Devoir* of July 15, 1966, written by Miss Françoise Côté and entitled:

Medicare—Even if its plan goes into effect after July 1967, Quebec will be able to obtain the fiscal equivalent.

It is reported that the minister, in reply to a question, was not too explicit, far from it; but, on the other hand, a spokesman—I am now quoting, Mr. Speaker—a spokesman from the office of the Canadian Minister of Health was more explicit on the procedure concerning the fiscal equivalent which will be available to the provinces after the 1972 revision.

It goes on to say that it will not be necessary for a province to have had its medicare plan in operation for five years, that is since July 1, 1967, to obtain the fiscal equivalent. The plan will have to have been in operation for a sufficient number of years to permit a full appraisal of its cost. It would seem that the minister has changed his mind somewhat since then and that he is concerned himself with this question of fiscal compensation.

As I said earlier, Mr. Speaker, because of my education, my background, atavism and what I have been doing all my life, I believe that, important as those fiscal matters may be, they should not delay the passage of such a momentous bill which will mean so much once it becomes law. Rather, we must try to find an acceptable formula, for the time being, attempt to improve it from year to year so that eventually every province will have its own revenues and will attend to its own affairs. I think conditions are nevertheless improving since the province of Quebec has had its commission on taxation since the federal government has reconsidered its position. I think that, eventually, the convening of other federal-provincial conferences will be requested and that such an ideal goal will probably be sought in the end, but I still believe that the benefits of this legislation must not be delayed. It is to be hoped that the government will not consider this as an accomplished fact and say: "Well, you accepted that kind of compromise, why not accept another one?"

I, like everybody else, have heard very categorical statements from certain politicians of my own province, such as hon. Mr. Bertrand or hon. Mr. Couturier. There are even some in other provinces who say that they will not accept any condition laid down by the federal government. Again, one cannot blame them, as they are the custodians of those prerogatives which are basic, in my opinion. But, in spite of that, I think it would be possible to find an acceptable formula which, even if it were not perfect upon the inception of the act, could, since there is still a year and a half or two years ahead of us to improve upon, be improved, as far as

those arrangements are concerned, at each new session so that the time would come when every province would have its own sources of revenue and attend to its own affairs.

But, in the meantime, the federal government cannot be blamed, I believe, for showing leadership, for initiating commendable action, and, in all objectivity, it should be said that had the federal government not taken the lead in the field of insurance for the unemployed, the aged, the disabled and with respect to all the other social schemes, it is most likely that three quarters of the provinces would still be without them.

It might be argued that that would be because their means are insufficient. Perhaps. Anyhow, let us try, little by little, to provide them with the necessary means so that, eventually, each of them may tend to its own responsibilities. But, once again, I say that I am not one of those who would criticize the government for showing initiative and leadership at a time when the needs of all Canadians are so interdependent that we cannot hope to develop our trade and our industry without first considering the safeguard of that human capital, health and life.

It is with such feelings, Mr. Speaker, that I am prepared to accept the bill, taking into account the restrictions I have mentioned during my contribution to the debate and insisting that the government must not, later on, come and tell us: You have made a concession, we are asking you to agree to another.

• (3:20 p.m.)

As it is, I believe that the bill meets the requests of certain Canadian leaders, as, for instance, Mr. Jodoin, of a well-known labour union, who stated at the beginning of this session that medicare should be given top priority. I think that Mr. Jodoin was perfectly right in saying so and that in implementing medicare, the government is promoting the commonwealth. Thank you.

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, yesterday and today we heard so many speeches on Bill No. C-227 now before the house that I am wondering whether members are able to explain it objectively to their constituents who elected them to the house of commons.

It seems that once again, everything has been mixed up, which is nothing new. Socialistic methods have been discussed, but a distinction should have been made, because Bill No. C-227 is a social measure rather than the implementation of a certain socialism. This makes a basic difference, since under a social measure, the individual co-operates with the government, whereas under a socialistic method, the government acts alone.

At this point, I refer especially to certain arguments put forward by members opposite to the effect that special emphasis has been put, for instance, on the free choice of the doctor. I have seen nowhere in the bill, which basically reflects the four criteria that are actually principles to be applied by all the provinces if they expect any federal contribution, that the free choice of the doctor is to be denied. Nowhere have I seen it in the bill. In my opinion, such an assertion is completely untrue or, at least, a misrepresentation. It is not a health insurance plan as it exists in England, which is a strictly socialistic measure under which a doctor is not free to select his patients, while the latter are required under the law to consult such and such a doctor. Following lawsuits which created quite a stir, the medical profession had to withdraw because it had no right to appeal.

It also seems that something else has been brought forward, that is practically the same arguments, set forth in 1958 when the province of Quebec opted out of a hospital insurance scheme. And by the same token, the province of Quebec was the last province to take part in the hospital insurance plan as advocated by the federal government.

It was argued that we were not ready to participate in the hospital insurance, because apparently we were short of beds in the province of Quebec. We adopt this reasoning to the health insurance by saying that we are short of doctors. We shall always be short of doctors. All countries have lacked doctors and Canada is short of them today and will still be short of them tomorrow. Is that a sufficient reason not to implement the health insurance as advocated?

I shall go further. Today, institutions, universities, medical schools are filled up right from the day of registration and, therefore, a very great number of candidates are not accepted. If people say that we do not have enough universities, I admit it. But I object to the proliferation of universities, because in medicine especially, we must expand our existing universities rather than opening new ones which are simply the ramifications of great universities.

Today, standards in medical school are too high. Automatically, we exclude some students who could pursue good medical studies, and become good general practitioners all across Canada. But they are excluded right from the start. Furthermore, doctors who practised in Canada are leaving for the United States because they cannot practise anymore here as they are offered better positions there.

And in the third place, the physician had formerly no social security. He had to work till his death under difficult conditions. He had to provide his own old age pension. He had to provide for his own future. At the present time, the proposed legislation already makes such provision. Those who wish to dedicate themselves to the medical profession will be sure, at least as long as they will be in a position to do so, to work and take advantage of other social legislation.

It is claimed that there is a shortage of medical equipment. There is a shortage of staff, because under the present circumstances, university students are inclined to specialize before practising medicine and this is absurd. But, do not see why there should be some objection to that bill simply because there is a shortage of medical personnel.

Today, there are 24,000 doctors in Canada but only 9,360 are general practitioners, which is nonsensical compared to 10,320 specialists. This is contrary to common sense. General practitioners represent 39 per cent and specialists 43 per cent. Twenty years ago it was the opposite. In the province of Quebec things are even worse.

Then, do you suppose when we say that in medicine we do not have the necessary human material, it can be a valid argument for maintaining that this bill should not be passed? Everybody seems agreeable to recognizing the great principles. However, we would like to evade the issue by stating arguments which are strictly deceptive.

Mr. Speaker, I should like to say that we have here a principle which is valid for all the provinces, which is based on common sense, on the basic right of the government to take care of human health. Health as well as education is a basic right, and the government must do everything in its power so that all citizens may be in good health.

Yesterday, I heard a member say that we were putting the citizens in a political strait jacket. I would want us to work together, with a little common sense and not too much discussion, which is a loss of time, and pass a social piece of legislation which will be, I hope, the first step toward "pharmacare" and "preventicare".

People who want to cure a nation must see to it that preventive measures are made available to every one. Let the drugs from the drugstores be available to everybody, just like medicare.

I should not like to prolong this debate any longer. I already told the house that had the federal government not participated as they did, in a direct way, even though this may be a constitutional matter which is perhaps not entirely under federal jurisdiction, I am wondering where we would stand today, in 1966, if that had been left in the care of the provinces, as set out in the constitution.

I believe the federal government have set a precedent, that they have been generous; they even went beyond their rights, so to speak, so as to remind the provinces that they had their own rights. It may be all very well to say that in 1966, but in 1919, when those medicare plans came up for the first time, the provinces were not financially ready or were not considering the setting up of plans and legislation of that kind. I see that the hon. member for Simcoe East (Mr. Rynard) is looking at me. He knows very well that those who practise medicine have 150 ways of filling in insurance forms, about 350 plans in order to submit their claims, as most insurance companies have restrictive clauses. Payment is often made only after the third, the fourth or the fifth visit. The hospital is not paid; visits at home are paid; visits at the office are paid also, but this or that is not paid. But why not have an overall plan, that would be uniform throughout Canada? Moreover, most of the insurance companies do not fulfil their contracts nowadays with the people who relied upon them, with their clients. You are promised wonders when you take out insurance; but most people do not even know what the contract means when sickness strikes.

Some insurance companies have deluded and continue to delude the public. Will that still be tolerated in Canada in 1966? If insurance companies are in earnest, let them form one large company, provincial in scope, on a non-profit basis, so that everyone can have the same protection; and let provincial governments ask this one company to act as their agent as Bill No. C-227 stipulates. This bill is just, fair, and above all intelligent, accessible

to all; it will show that the federal government is not interested merely in constitutional controversy but also in giving back to the citizens what belongs to them, namely their health.

• (3:30 p.m.)

[*English*]

Mr. J. H. Horner (Acadia): I rise with some hesitancy to take part in this debate. Frankly I am puzzled that we as legislators should be asked to make a decision, now, on a plan which will not come into effect until 1968?

A few weeks ago we heard the Minister of Finance (Mr. Sharp) enlarging on his reasons for contemplating the introduction of what some people term a baby budget. He said that from time to time governments are obliged to establish priorities in respect to legislation. I think we would all agree with that. I ask this question: How, and in what order of priorities, are we to deal today with a bill which is not to take effect until 1968, almost two years hence?

All across this country people are wondering why parliament is not getting down to business. As we travel across Canada we hear people saying that this house is doing very little and that it is high time it got down to work.

Today we are being asked to debate a program of far reaching significance which is not to become effective until July 1, 1968. Surely the people of Canada are not likely to think we are really doing something of benefit for them? I can think of many pieces of legislation with which this house should proceed in preference to the bill now before us. When we consider the social needs of the public we should surely consider the position of senior citizens who are being asked to live in a climate of increasing prices on pensions which do not meet their needs. Why does the government not set up a list of priorities and come forward with legislation allowing senior citizens to receive the increase they have been tentatively promised? The carrot has been held out. It will be available, they are told, some time this fall. Why is the government not proceeding with this measure instead of with legislation the results of which will not be available for two years?

There are other fields in which legislative action is necessary. We should consider the situation of veterans, disabled people, and others in similar categories whose incomes do not allow them to enjoy a reasonable standard of living in these days of rapidly rising costs. Canadians throughout this country find themselves in strait-jackets because of the inflationary policies followed by the present government. The fact that so little urgency attaches to the present debate indicates poor management on the part of the government, and I am sure the public generally, considering these circumstances, will come to the conclusion that once again this house is doing very little by way of social legislation to bring immediate relief to those most in need.

I am tempted to think that no other legislation is ready for submission, and that the present measure is before us merely because it has been ready for a long time. Let us consider some of the other things which should be done in this field before legislation is undertaken. Surely when such a bill as this is drafted the government in office should strive to bring about some degree of co-operation and understanding with the provinces?

The measure before us cannot be implemented in the absence of direct co-operation from the provinces. But what do we find? We find that provinces are at cross purposes. The province of Alberta from which I come does not like this bill at all. Ontario is lukewarm toward it. Mr. Roblin said a few weeks ago that he was pleased the government had decided to hold up the legislation until 1968, at which time Canada could take a better look at it and the provinces could decide whether or not they would go along with it. By failing to reach some degree of agreement with the provinces on this legislation before bringing it into the house, the government has been derelict in its duties.

The medicare scheme now operating in Alberta will not fall within the confines of this legislation. Hon. members might ask why this should be so. The onus is on the government to seek provincial co-operation and agreement whenever legislation which concerns the jurisdiction of the provinces is concerned, as is certainly the case in this instance. Anyone coming from Alberta can readily see that this government has not gone to any real trouble to achieve any significant degree of co-operation with that province, at least.

• (3:40 p.m.)

Today we are living in a rapidly changing society, a society in which one thing may not be a crying need at the moment but tomorrow will become one, a society which, during my short time in this House of Commons, has greatly changed and speeded up. I am sure hon. members will agree that we are living in a fast moving society. If we accept this, then

why should we be asked to pass legislation that will not come into effect for two years, at which time we may find ourselves in a different set of circumstances than that which we are facing now?

In 1958 the hospitalization scheme was introduced. It was a good plan. Eight years have elapsed since it was introduced, yet we still see a crying need for hospitals. People in every major city in the country have to be waitlisted, placed on a priority list or a needs list before they can obtain hospital beds. I think we should smooth out the wrinkles in that plan before foisting this medicare scheme on the public, a scheme which has not got the full approval of the provinces and which we are being asked to pass two years before it will come into effect.

One of the criteria laid down by the government is that the scheme must be operated by a government agency, a public authority appointed or designated by the government. It must also be operated on a non-profit basis. Will the M.S.I. scheme operated in the province of Alberta qualify? We are told that it will not, yet it is supposed to be a non-profit scheme. It may not be a public authority which is operating it; but any federal government that is moving into a provincial field should do so with some degree of hesitancy, with some degree of formal consultation with the provinces, and should give the provinces latitude in which to vary their plans so that they may fall within the ambit of the general medicare program to be supported by the federal authority.

Under this bill the federal government is to pay 50 per cent of the cost, up to $14 per capita. That is a large amount of money. No province can say to itself, "We will do without this money," because most provinces are in search of areas which will provide them with more revenue. This is one area in which they would gladly pick up that extra revenue, but they must match it dollar for dollar, and must comply with a set of rigid regulations laid down by the federal government on matters which really fall within provincial jurisdiction.

I am not in any way trying to boost the Alberta Social Credit medicare plan. I think it has many shortcomings, but it is the plan Alberta has chosen. It is the plan the people of Alberta have accepted. One has only to look at the composition of the provincial legislature to see that the people of Alberta have accepted it. Why then is the federal government making an all-out effort to force its wishes upon that province in a field which lies within provincial jurisdiction?

Another provision of the bill is that 90 per cent of the insurable residents of a province must be covered by medicare before the federal government will give assistance. By 1968 those provinces which wish to introduce their own plans could be expected to have 90 per cent of their insurable residents covered. But supposing they do not, supposing they had only 75 per cent covered, why should the federal government insist on such a high percentage before allowing a provincial scheme to qualify for assistance?

Coverage of 75 per cent of the insurable residents would be high enough to ensure the implementation and success of a provincial scheme, and would be high enough to ensure that the other 25 per cent would wish to join after the scheme came into effect. But the federal government, because of its dictatorial attitude, its authoritative manner, is laying down four rigid criteria, and one is that 90 per cent of the insurable residents be covered. Why should not a voluntary plan be acceptable to the government? It should move less authoritatively when entering a provincial field, and should move only after a greater degree of co-operation has been reached with the provinces.

When one considers that this scheme will not come into effect until July, 1968, he must ask why the government does not now introduce medicare for senior citizens receiving pensions? This is something which we in Alberta have had for a number of years. If a person is receiving a pension he can acquire a card which entitles him to free medical services. Why does not the federal government do something about that? If it feels that the complete plan will have too great an inflationary impact, why not bring in a small portion of it?

In effect the federal government is now saying to a pensioner, "You have lived and served your work years in Canada. You are entitled to a pension, but if you take sick you are out of luck, you are on your own. We will prevent you starving to death but don't dare get sick because then you are on your own."

All across Canada senior citizens who are in poor health are having to buy expensive drugs and stay on waiting lists when they want to get into hospital. If this government really wants to move ahead with good social legislation, and bring about some degree of social justice in Canada, this is one of the

things that should receive top priority in its priority ratings of legislation to be presented to the house.

• (3:50 p.m.)

Let me say, in answer to the charge that the opposition has filibustered on occasion to hold up the work of this House of Commons and parliament, that the opposition has no way of bringing legislation forward, but can only debate after passing judgment on whatever legislation is before the house. We are now being asked to pass judgment on legislation which will not come into effect for two years. This is legislation which the government has indicated is needed. The only conclusion I can come to is that the government has decided it is wise to wait until July 1, 1968 before bringing this social program into effect, because it intends to call an election in the fall of 1968. The government must be doing this with the hope that it can once again buy the votes of Canadians by the introduction of social legislation. It is difficult for any member of parliament to stand up and oppose a medicare program. I am trying to rationalize the thinking of the government. If it was really felt that some action of this kind should be taken, the government should bring in immediately legislation which would provide free medical services for all our senior citizens now on pensions.

A program of free medical service for our senor citizens would not be of a magnitude sufficient to create additional inflationary pressures. Some provinces already have programs of this kind, Alberta being one, and I am sure other provinces could afford and would like to move into this field.

I can only conclude by the government's action at this time that it has decided to delay the implementation of this program until 1968, because it will not call an election in 1967 and intends to call one in the fall of 1968 in the hopes that it will be returned to office. Surely that is a mean trick to play on our senior citizens who are looking eagerly to Ottawa for assistance both in relation to pensions and medical care services. This government should reconsider its position and do something for those people who need assistance in meeting the expenses involved in medical and dental care. We here in Ottawa have a responsibility to help the people of Canada in this changing society of ours.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the members of this group intend to support and vote for this bill because we have over the years felt that medical care should be provided the people of this country without regard for their ability to pay. We believe that such care can only be provided through a plan organized and operated by the government of Canada.

[Mr. Horner (Acadia).]

In this party we do not just talk about things. We are not like the Liberals who have been promising to implement this kind of legislation since 1919. The government headed by the present leader of the New Democratic Party when he was premier of the province of Saskatchewan implemented a medicare plan in that province which should be a guide line in Canada.

The bill before us embodies the principles enunciated and explained so clearly by the Royal Commission on Health Services headed by Mr. Justice Hall. Let me point out to those hon. members of the Conservative party who have spoken during the last two days, calling for the killing of this bill, that the Hall Commission was appointed by a former prime minister, the present Leader of the Official Opposition (Mr. Diefenbaker).

When Mr. Justice Hall brought down his report in 1964 the basic principles enunciated were greeted with enthusiasm by the Leader of the Official Opposition. I have in my hands an article which appeared in the Toronto *Globe and Mail* of June 22, 1964. For the benefit of the hon. member for Simcoe East (Mr. Rynard), who introduced the killer amendment now before us, I should like to read from this article which is headed "Diefenbaker Endorses Health Plan Proposals". The articles states:

> Opposition leader John Diefenbaker came out strongly in favour of the recommendations of the royal commission on health services Saturday and urged an immediate federal-provincial conference to discuss them.

For the benefit of the hon. member for Accadia (Mr. Horner), who just suggested there were many other important matters which ought to be discussed, let me quote another paragraph from that same article which appeared on June 22, 1964. It reads as follows:

> Mr. Diefenbaker termed the commission's report the most momentous and outstanding one in Canada in the past 50 years.

In spite of that fact, a host of Conservatives spoke yesterday and today, and I supposed many will speak in days to come, arguing that we do not need this kind of plan because we do not have the facilities to operate it, and because voluntary plans can

do the job as well or better. They have argued that we do not have enough doctors, nurses, facilities and other things needed.

Yesterday we witnessed the amazing spectacle of the hon. member for Calgary South (Mr. Ballard), quoting ostensibly from the Hall Commission report. He must have been looking through a microscope at the footnotes and back pages, because anyone listening to him would have got the impression that Mr. Justice Hall said in his report that we ought not to go ahead with a universal government-operated and sponsored medical care plan, because we do not have sufficient doctors or facilities.

I have before me a commission press release which summarizes the main recommendations of the Hall Commission report, and I should like to put on record for the benefit of some Conservative members just what Mr. Justice Hall said about this question. It is obvious to anybody who can read that every important proposal Mr. Justice Hall recommended has in fact been ignored and rejected by the Conservatives in their amendment.

• (4:00 p.m.)

This is what the commission headed by Mr. Justice Hall said. I am quoting from the official press release and hon. members will find these words on pages 7, 8 and 9.

> The commissioners, after examining various alternatives for providing Canadians with health services, recommend that the health services program be made universally available. They recognize that many Canadians have availed themselves of the benefits of health prepayment plans but these are principally those who can afford protection or are employed where health insurance is provided or subsidized as a part of working conditions. They also recognize the initiative shown by Alberta and Ontario in developing legislation that provides for voluntary coverage of certain medical services, with subsidies for some citizens.
>
> After prolonged study and investigation the Commissioners conclude that coverage of all, or virtually all, Canadians could not be achieved through the voluntary system and that only a universal program could achieve maximum coverage. They recommend against the adoption of the Alberta and Ontario plans in their present form because they are too restrictive and they fail to reach a great percentage of the population who need protection more than anyone else.

Later there is this passage:

> In view of their recommendation that Canada develop an integrated comprehensive health services program, the commissioners reject all methods of subsidizing individuals that involves means testing. They do so on the grounds that the proportion of the population to be means tested would be too large and the administrative costs high, but also because it is not in harmony with human dignity. Instead they recommend that a health insurance fund be established in each province, administered as recommended in the preceding paragraph, contributed to by the federal government from general revenue and by provincial governments from premiums, sales or other taxes, or general revenues as they may best determine.

I think it is obvious from the few quotations I have put on the record that Mr. Justice Hall and the commissioners recommended essentially the principles which are embodied in the bill we have before us. We are being told by members of the Conservative opposition that we cannot go ahead with this plan now because the provinces are not supporting the proposal. I suggest to those hon. members that they look at the record of what happened when this country implemented hospitalization. It was the Liberal government under Mr. St. Laurent which brought in the bill for government hospitalization. It was a Liberal government which said that that legislation would not go into effect until the majority of the people of Canada as represented by the provincial governments agreed to participate.

That bill gathered dust and did not reach the statute books. It was Mr. Diefenbaker and his Progressive Conservative government who, after they came into power, brought hospitalization into effect by saying to the provinces, "We are ready to go ahead. We are ready to pay the federal share of hospitalization to any province, even one province, if it is ready to go ahead." When Mr. Diefenbaker said that, it was not very long before we had hospitalization in every province of this country.

Is there a single member of parliament or a single person in Canada who thinks this country made a mistake when we implemented hospitalization? People who are close to me have had hospital bills of $6,000, $7,000 and $8,000 paid by their provincial hospitalization plan, which meant that they did not go into debt for a year, or two, or ten as would have happened earlier. These hospital bills were paid because we finally had a government plan.

I suggest to the government and the members of the Conservative opposition that if the government stand fast on this bill and say, "These are the principles which the bill will embody, the principles which Mr. Justice Hall enunciated so clearly and eloquently, and we, the federal government are prepared to help finance a plan which is universal", the provincial governments, whether they like it or not, will go ahead with the plan because they will not be able to stay out. I do not

believe for a moment that Premier Roblin of my province, although he is for voluntary medicare, as he was for voluntary hospitalization, would dare to stay out, because I cannot think of anything on which we would rather fight an election than a program of medicare if Mr. Roblin stayed out of this plan.

Mr. Woolliams: Your leader was defeated in Saskatchewan on medicare.

Mr. Orlikow: Well, there is that chance in Manitoba; and I suggest that if Premier Manning wants to fight this issue, the people of Alberta will show him what they think about medicare. We are told by the Conservative opposition that the plan which the government proposes is no good because it ought to be voluntary and is not. All the evidence is that voluntary plans just do not work. Mr. Justice Hall demonstrated this conclusively in his report, and every expert who has considered the question has come up with the same conclusion.

We are being told that we cannot go ahead with this plan because there are not enough doctors in Canada. It was not so long ago that the leaders of the organized medical profession thought they could block medicare. They were arguing that we did not need medicare because people received all the medical services they needed. How many doctors and spokesmen for the medical associations in Canada made speeches in every city in this country to the effect that any person who was sick in Canada could obtain medical service, because if he did not have the money the doctors would look after him without payment; they would do this in a spirit of charity.

Now the organized medical profession realizes that, like it or not, medicare is coming, the argument is: Well, it is coming, but we cannot have it now because there are not enough doctors. They have made a complete reversal; and of course the Conservative party has made the reserval which one would expect, because they always speak for the organized groups which have power in this country.

Mr. Woolliams: What about the unions?

Mr. Orlikow: There are not enough doctors in our country, but this situation is not caused by the possible implementation of medicare. We heard the hon. member for Calgary South (Mr. Ballard) reading horrendous figures into the record yesterday about the number of doctors leaving Great Britain. There are many doctors leaving Great Britain, and the British people have a problem with regard to medical services. But, if one makes an adjustment for the difference in population, he finds there are fewer doctors leaving Great Britain this year, even though they have medicare, than there are comparatively leaving Canada, for the United States, because for the last five years at least 500 or more doctors have left this country for the United States.

This has not occurred because we have medicare; doctors started to leave Canada long before medicare was even talked about. Doctors, being pretty practical people, know that even though this government are promising medicare for 1968, it may be much later when we get it. Therefore I say that the arguments advanced by members of parliament speaking for the Conservative opposition are not only wrong but are completely opposed to the principles enunciated by Mr. Justice Hall who headed the commission appointed by the Conservative government. Those principles were endorsed, when the report was published, by the leader of the Conservative party.

I should like to deal with just one more argument put forward by the Conservative opposition. We have been told that we do not need this kind of plan; that we do not need a compulsory universal plan and should have a voluntary one.

• (4:10 p.m.)

Mr. Speaker, I want to put on the record part of an article which appeared on the editorial page of the Winnipeg *Free Press*, a Conservative newspaper.

Mr. Nowlan: What did he say?

Mr. Orlikow: I apologize, I meant the Winnipeg *Tribune*. Anyway, both newspapers are Conservative, although one still continues, I suppose out of a sense of history, to support the new conservative party, which is called the Liberal party. An article appeared in the Winnipeg *Tribune* on October 7, 1966 written by one of their leading newspapermen, Val Werier. It dealt with the voluntary medical plan which we have in the province of Manitoba and which was sponsored by that great Conservative premier, Premier Roblin, possibly the next leader of the Conservative party in the federal parliament. I want to read just a few paragraphs from this article

to show how this so-called voluntary medicare plan works:

It must come as a shock to many people, but a pensioner living solely on $75 does not automatically qualify for provincial medicare. This is the government scheme subsidized by doctors to help the needy elderly.

It would be taken for granted that a person living on $75 would be welcomed and encouraged to receive free medicare.

The fact is that old people today with nothing else but their federal pension of $75 a month are being rejected by the province for free medicare. If the test, which is unrealistically calculated, determines he is getting by, the pensioner must pay for his own medical coverage.

The provincial government uses its scale of social allowances as a yardstick for extra aid to those getting the federal pension of $75.

Under this scale, for a single person living alone, the following is allowed: $26 for food; $10 for household and personal needs; $5 for clothing; $5 for health costs. Rents vary with the need, with up to $35 allowed for a heated room; $25 for an unheated room, plus extra for utilities.

The person on $75 does not qualify for medicare if he cannot prove that his costs for rent, utilities and special needs bring it above $75.

Now, Mr. Speaker, that is the voluntary medicare which the Conservative opposition in this parliament and the Conservative premier of Manitoba not only are thinking about but have implemented, and I suggest it is completely unacceptable.

We believe that what this country needs is a universal, comprehensive medical insurance plan, and we believe that it should start now, as this government and its spokesmen repeated ad nauseam as their platform in every city in this country for the last two or three years.

If I had any doubts that I was right in my belief that this plan should be implemented on July 1, 1967 as was proposed initially by the Liberals, they would have been dispelled by the letter which I received today from the city clerk of the city of Winnipeg. Although that city council has more N.D.P. aldermen than most cities, the substantial majority is made up of Liberal and Conservative members of the council, as are most councils in this country. Nevertheless it passed a resolution on October 11, part of which is as follows:

Whereas the government of Canada, which had undertaken to inaugurate a universal, national medicare plan on July 1, 1967, has announced a delay of one year in implementing such a plan; And whereas the Manitoba government has failed to support a universal plan of medicare; Therefore be it resolved that this council urge the government of Canada and the Manitoba government to press forward with government medical insurance on a universal basis as outlined in the Hall report, beginning July 1, 1967.

The council of the city of Winnipeg knows what the people of that city want, and the same is true of the people of Canada. They want medicare and they want it now.

Mr. Speaker, we support this plan and this legislation. We will vote for this bill as it is on the order paper today. We are completely opposed, first of all, to the killer amendment which emasculates the whole bill; we are also opposed to the whole concept of universal medicare as proposed by the official opposition, and we are opposed to the amendments which I am sure the Minister of National Health and Welfare (Mr. MacEachen) will be bringing in with a great deal of regret, and under a great deal of pressure, to delay the implementation of this plan to July 1, 1968.

Having said that, I want to spend a little time commiserating with the Minister of National Health and Welfare for the extremely unpleasant position in which he finds himself. I want to say to him and to the hon. member for York-Scarborough (Mr. Stanbury), who had to express his public penance yesterday by supporting what a week or two ago he was opposing so bitterly at Peterborough, that we believe there is no reason for the delay in the implementation of this legislation.

For years we have urged governments to go ahead with such a plan. As I said earlier, the C.C.F. government of Saskatchewan introduced such a plan, which is working so well that the present Liberal premier, who is dead set against socialism or what he considers to be socialism, has not dared to oppose the bill or to change it as one would have expected him to do.

I am curious, as I am sure are other people of Canada, as to why this government reneged on its promise made so often and so eloquently to go ahead with medicare on July 1, 1967. I will not place all the relevant quotes on the record, because I would need weeks, not days, to put on the record everything which every Liberal candidate said. I suppose the government could say with justification that they are really not responsible for some of the irresponsible and less knowledgeable things which some Liberal candidate in some backwoods constituency might have said; however, Mr. Speaker, that promise was made by the head of the Liberal party, by the Prime Minister. It was also made by the Minister of National Health and Welfare, by parliamentary secretaries and by other ministers, and it is very clear, plain and precise. There were no if's, but's and maybe's.

It is true, Mr. Speaker, as my colleague from Winnipeg North Centre (Mr. Knowles) said yesterday, that this promise was first made in August of 1919, and that even for a party which is as slow as the Liberal party has been about all its promises, 47 years is really too long. Finally after some 47 years the Liberal party woke up and started speaking about medicare, not in the vague and general way in which they had spoken of it for so long, but specifically. They set a specific date. What did they say? The Ottawa *Citizen* of September 21, 1965 carried the following news report:

> Prime Minister Pearson today announced a pledge to have a full medicare scheme operating in Canada by July 1, 1967.
>
> In a speech before Liberal candidates here today Mr. Pearson said his government needed a mandate from the people November 8 to realize this medicare objective.

The Prime Minister was giving the lead to Liberal candidates going into an election. This was his pitch, the thing to emphasize, this was the promise made by the Prime Minister to the people of Canada.

He did not get his majority but he was awfully close, and here we are in the New Democratic party with 21 seats. Mr. Speaker, the government has more than enough votes to put medicare through as of July 1, 1967 if they really believe in it.

• (4:20 p.m.)

Well, Mr. Speaker, here is that great left wing Liberal from Hamilton East (Mr. Munro), the parliamentary secretary to Minister of Manpower and Immigration. What does he say? I quote again from the Ottawa *Citizen* for June 17, 1965, which quotes the hon. member for Hamilton East in this way:

> "Subject to agreement with the provinces," he said, "I think we could implement soon a program of universal medical services under which everyone would be covered, there would be no deterrent cost, and commercial carriers as such would be discontinued."

Where is that great, radical Liberal from Hamilton East? I know where he is going to be after the next election, he is going to be back in Hamilton practising law because the people of Hamilton will not forget the betrayal of the promise on medicare which he made to them.

Here is one of the contenders for the Liberal leadership, the present Minister of National Defence (Mr. Hellyer). He is supposed to be a right winger. I am not inside the Liberal party, so I do not know who is right or who is left. I doubt if there is anybody who is left, but he is said to be right. We have this from the Toronto *Star* of September 23, 1965:

> Cheering Liberals were told by Defence Minister Paul Hellyer last night that under a Liberal government Canada would have national medicare by July 1, 1967.

Could anything be more definite, Mr. Speaker? Could anything be more specific? Are the people of Canada not entitled to think that when a political party makes a promise, if that party is supported by the people that promise will be kept? Obviously that is too much to expect from the Liberal party or from this government.

We on this side were chided last night by the hon. member for York-Scarborough (Mr. Stanbury) because we continue to say today what we have said over the years. The hon. member for York-Scarborough supported medicare beginning in 1967, before the Minister of Finance issued his ukase that this thing could not be, and he still supported it when he acted as chairman of the meeting at Peterborough which expressed dissatisfaction with the postponement. We are not disposed to curl up and die just because the Minister of Finance says medicare cannot be now, we do not have to worry what the Minister of Finance thinks. We do not have to worry that if we do not support him we may not get the funds necessary to fight the next election. We continue to say today, therefore, what we have said in the past, the same thing which the hon. member for York-Scarborough said and the same thing which the Minister of National Health and Welfare (Mr. MacEachen) said. We say now, as we have said for years, that the medicre plan is necessary and that it ought to start on July 1, 1967.

As I listened to the hon. member for York-Scarborough, Mr. Speaker, I could not help but be amused at the charge that we are filibustering. How could one filibuster a measure which will not come into effect until July 1, 1968? It could not matter less to the people of Canada who want medicare whether this parliament takes two days, two weeks or two months to pass this legislation because no matter when we pass it the bill will not come into effect until July, 1968, at the earliest.

It is amazing, Mr. Speaker, how courageous, how outspoken and how radical the members on the other side are, paricularly if they come from urban ridings where they know the New Democratic Party is breathing down their necks. It is amazing how radical

they can be at home, but how lamb-like they are when they get to Ottawa and come under the eagle eye of the Minister of Finance who is now the undisputed boss of the formerly great Liberal party. We are not alone in our thinking. I should like to refer to the Ottawa *Citizen*. I do not have to tell the members of this house who spend nine months of the year in Ottawa, how close the Liberal party is to the Ottawa *Citizen*. I am sure the editor of the Ottawa *Citizen*, when he wrote the editorial I am going to quote, wrote it with a heavy heart, as heavy a heart as the minister had when he introduced this legislation yesterday.

I want to say that never in my 20 years of public life have I heard a minister introduce an important bill, a measure as close to his heart as this one, as hesitantly, as apologetically or as quietly as did the Minister of National Health and Welfare. I do not blame him. It must have been a bitter pill he had to swallow. In any event, here is what the Ottawa *Citizen* had to say and I quote from the editorial headed, "Challenge on medicare":

> Reform-minded Liberal MP's are quite right to challenge Finance Minister Sharp and the cabinet on their decision to postpone for a year the inauguration of national health insurance. This is a Liberal commitment, made in the 1965 election campaign. Anyone who carried the Liberal colours in that election must feel he is in danger of breaking an important promise if the program is delayed till July, 1968. Before that time, there may very well be another general election.

There is what the editor of the Ottawa *Citizen* had to say. Let us look at another Liberal newspaper, the Toronto *Star*. Certainly, it is Liberal at election time, although it is very critical of the Liberal party between elections. Here is the editorial which appeared in the Toronto *Star* of Friday, September 9, 1966. The headline is, "Medicare delay is outrageous deceit", and it goes on to say:

> Once again the Canadian people have been deceived and disappointed in their expectation of health insurance—by the party which began promising it in 1919.
>
> Federal medicare is to be postponed for a year on the excuse—and it is merely an excuse—that this is necessary to fight inflation.
>
> A one-year postponement would be bad enough for the 4,000,000 Canadians who have inadequate medical insurance coverage and the 6,000,000 who have none at all.
>
> But who, in view of the 47-year record of Liberal nonfulfilment of this promise, can have any confidence that the delay will be only for one year?

I want to remind the Minister of National Health and Welfare that his integrity and the integrity of his party is being questioned in that quotation, not by opponents, not by members of the New Democratic Party, but by the newspaper in Canada which has the largest circulation of any I know supporting the Liberal party. This is what they say. This newspaper came back to the argument yesterday in an even stronger editorial. I am going to put it on the record because the language is so strong that it might be considered by some people as unparliamentary if they saw it. I can only say that what I am repeating is not my view, although I subscribe to it, but the view of the Liberal Toronto *Star* as stated in its editorial for Tuesday, October 11, 1966. The editorial is headed, "The faltering course of true Liberalism". I am not going to read it all because I think my time would be up, but I am going to read this substantial section from it:

> The reform elements within the party are disorganized and dispirited. The rightwingers, mainly from the prairies and the west coast, are clearly dominating the conference. And the party leadership seems as smug and complacent—though not as arrogant—as it was in the last days of the St. Laurent administration a decade ago...

● (4:30 p.m.)

> Maybe no one could really expect the delegates to embarrass the government by condemning its decision to postpone medicare from July 1, 1967 to July 1, 1968. But we hoped enough Liberals would be sufficiently concerned to register a strong and loud protest.
>
> Fourteen did—out of a total of 2,000 delegates. The overwhelming majority uncritically accepted Finance Minister Mitchell Sharp's bland explanation that medicare had to be delayed on the ground of "fiscal responsibility".
>
> It was a curious performance by Mr. Sharp. He spoke of the "great pain" he had endured in announcing the delay in medicare. He said the greatest task of the party was to maintain full employment by making the right economic decisions. And he said failure to make the right economic decisions—such as the postponement of medicare—would jeopardize the future of "the little man".
>
> Thus vacillation is turned into a virtue. And a giant Liberal assembly sits by, with scarcely a murmur of protest, as a Liberal finance minister offers the dubious proposition that he is helping the "little people" of Canada by denying them the protection of medicare for another year.
>
> What kind of curious Liberal logic is this? Is this going to impress the aged, the sick, and the poor who have waited patiently for decades for the Liberal party to honour its pledge on medicare? Are they exepected to postpone their ailments and their medical bills until 1968?
>
> In the whole range of Liberal policy in recent years, no issue has constituted so firm a moral commitment as the pledge to launch medicare by July, 1967.

If the Liberal party can ignore so solemn and so clearcut a commitment, how can it be trusted to honour its new pledge to launch medicare by 1968, especially when a large majority of the Liberal cabinet is known to be opposed or indifferent toward a medicare program?

And if inflation can be used to justify a delay in medicare this time, what assurance can Mr. Sharp offer that it won't be used to justify another delay in 1968?

I suggest to the minister of National Health and Welfare that the views expressed in that editorial in the Liberal Toronto *Star* cannot be refuted, because they are 100 per cent true. The decision of the government to postpone the implementation of medicare was a betrayal of the solemn promise which was made by Liberal leaders, from the Prime Minister down, and which is long overdue.

The people of this country will not forget this betrayal. In the next election the people of Canada will demonstrate what they think of this kind of shabby and disgraceful treatment on the part of this government and the Liberal party. I am sure that when another election is held the predictions of recent Gallup polls will prove correct.

I am certain, Mr. Speaker, that our party, which has made it clear over the years that we believe in the implementation of medicare, will gain a great deal in the next election both in terms of votes and seats. But much as I believe in my party, and much as I want my party to grow and to become the major party in this country, I say that the price of such election is too high. I would rather have medicare introduced today and implemented in July 1967 by a Liberal government than that it be implemented later, even though I am sure that another election would mean that our party would gain a great deal.

This is a sad time for the people of Canada, Mr. Speaker. It is particularly sad for the tens of thousands of people who are not receiving the kind of medical service they need, the kind to which they are entitled and which they ought to have had long ago—the kind of service promised by the Liberal party, the kind of service which was endorsed by the Leader of the Official Opposition (Mr. Diefenbaker) when he supported the basic principles of the Hall Commission report, and the kind of service which we in this party have been urging and advocating for many years.

Medicare will come, Mr. Speaker; but it will come much later that it ought to have come, thanks to the weak-kneed vacillations of this government.

[Mr. Orlikow.]

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I do not stand in my place today to give members a lecture on what other people should do. Rather I stand to declare from my place why I support this amendment.

Our job in the official opposition is to tailor legislation which comes before this house. If in a man's conscience he supports certain legislation, he is not necessarily bowing to the will of the government or bowing to the will of his own party. It is still possible for a man in this country to make his own independent assessment of what should be done in a given situation. I claim this on behalf of the district I represent, because that is the kind of representation that not only my constituents expect and demand, but it is the kind of representation they get.

In the nine years I have been in this house, Mr. Speaker, I have never been bullied by my party. If I had I would not be in it. I have never even been unduly pressured by my party. If I had I would not be in it. One has only to observe the differences of opinion among the independent members of the Conservative party ot see that this is the kind of party we are; and I say that this is the kind of man I am. Let us stop the class war. There is no need for a class war in Canada. But there is need for co-operation in every branch of our society in Canada today. Those who yell the loudest about the degradation of parliament are self-condemning.

I am not cynical and I do not believe that the members of this house are a pack of sheep; far from it. It is very hard indeed to line up our party as being a pack of sheep in relation to any proposal put before the house. One has only to go over *Hansard* for the last few days to see that there are differences of opinion over this question of medicare. I am entitled to my own personal view just as I am entitled to support my party if it reaches a consensus. I also have the right to criticize this government or any other government —including that of my own party when in power—if it acts against my own personal conscience and the will of the people I represent.

My constituents at the provincial level have made it abundantly clear what they think of Alberta's idea of medicare. No one can accuse me of being a supporter of the Social Crediters, but if the Social Crediters happen to have landed upon an answer to a specific problem which affects the welfare of the people of my province at this time, I will try

to keep an open mind politically and decide here and now what should be done.

I think that the four paragraphs contained in this amendment are eminently sound on every count. I also maintain that many fair-minded members in all parties in this house will agree with the basic principle which applies to the rule of law under our constitution in Canada. We have chaos unless we have a constitution in a democratic society, and our democratic society makes no bones about the fact that we have given the provinces the sole right to decide matters of health and welfare. The section in the British North America Act makes this provision is only too well known and I am not going to remind members of it. There it is clearly laid down that health and welfare will be the sole responsibility of the provinces involved.

To my knowledge, Mr. Speaker, all governments have over the years recognized this basic principle in our constitution. There is a clause in this bill which in its very wording purports to honour this principle. In clause 3 of the bill it says that the contribution is payable, pursuant to a medical care insurance plan of the province. When Bill C-227 becomes law, will it not completely negate the right of any province to have its own medical care plan? Right from the start, under our constitution the bill would be null and void if we follow the principle that the provinces have the right to legislate and administer everything connected with health and welfare. The fact that the federal government has taken on the responsibility for collecting taxes in no way gives it the right to dictate to the provinces their almost inalienable right under the constitution. To hide behind double talk is to set a dangerous precedent in this and in other pieces of legislation. What we cannot do openly, under the constitution, we should not be able to do with a financial stick; and that is what this measure purports to be.

• (4:40 p.m.)

I support the principle of medical care for all. I believe in social justice, but I do not believe in state manipulation of every corner of my life. I am not a socialist, but I do believe in social justice. I think the provinces are quite capable of giving social justice under medicare, provided they have the money to pay for the service. The fact is that because the dominion government collects taxes, it has no right to dictate to the provinces in those fields where they have an inalienable right under the constitution. In my personal opinion the whole bill violates that principle. But I realize perfectly well that if you bury this bill, as some hon. members suggest, we may well delay medical care for years. That is true of course.

I beg the government to look at the real thing we are trying to do, which is to provide medical care for those who need it most, and if possible to do that within the framework of our constitution. Otherwise, the government essentially is saying that the provinces are not capable of handling those household affairs which the Fathers of Confederation in their wisdom allowed them to settle for themselves.

This is where we part company with our friends on the left, because they are cynical enough to say that nobody has the right to run his own affairs. They say that that can only be done by an omniscient, all powerful government. If one carried socialism to its extreme, this entails a one party government, which means that the people have no voice.

We have four parts to our amendment, the first part of which says that no legislation will be satisfactory unless it—

—(a) secures co-operation of the governments of the provinces of Canada.

One wonders why we have not had any consensus from the provinces. We do not expect them to abandon their rights, do we? Unless I am wrong in my guess at least two of Canada's great provinces will not knuckle down. They saw long ago the financial stake, which is very poorly disguised in words. Is this a question of getting out? I do not know. I am not going to impute bad faith to the government, saying that they are trying to welch.

I say that if we are going to get the kind of medical care we want to see, and that the people of Alberta want to see—and even though the system in Alberta is not yet perfect, it is not widely hated—the house must accept the amendment of this party. In Alberta they do not use the language I heard the last speaker use. One would think that around here there was a declaration of war. I will not repeat, in my speech, that kind of language. We have heard about betrayal, emasculation, and things like that. This is not necessary. Instead, let us offer reasoned arguments.

I say that this amendment is correct, because underlying all principles of law in Canada is the principle that Canada must be ruled according to its constitution. I shall

paraphrase what was said by a former prime minister of Canada, who held office for a long time. I get the quotation from no less an authority than the present Minister of Transport (Mr. Pickersgill). Paraphrasing, the quotation shows that the Right Hon. Mackenzie King did not believe any party or any minority had the right to force the acceptance of its views or its policies upon the community. He felt that persuasion and willing consent were an essential preliminary to political change.

It is my pious hope that the bones of Mackenzie King do not roll in their grave when his ghost sees his successors wielding this financial stick. Is this bill Liberalism? Is this consultation? Is this willing consent? Is this moral persuasion, rather than force? The spiritual leader of the Liberal party said that persuasion was an essential preliminary to political change.

What greater change could there be than forcing the provinces of Canada to knuckle down under a financial stick, and imposing what to me looks like the rankest of socialistic measures. The only real criticism from those on my left is as to the speed with which we ought to impose this bill upon the people. Those hon. members are quite satisfied that it is socialist, but for them it is not socialist enough, nor is it going fast enough. You can hear the old criticism of the Liberals which says that they are socialists, but going too slowly.

I do not believe that. I think it may be that the government, finding itself in financial difficulties and on the crest of inflation, at the eleventh hour is trying to put on the brakes. I think that this wagon has brakes, and it is the duty of every member in this house to put them on to prevent disaster. I am not saying that we must abandon medicare as a proposition, but I say that we should watch inflation carefully.

I do not want hon. members on my left to put words in my mouth, and to say that I am attempting to kill the bill because I do not want to pay the shot, or because I refuse to give social justice. That is far from the truth. I do not want to kill this bill. I want to tailor this bill to make it work. If necessary, I want a reasonable delay to get willing consent from the provinces.

The second part of the amendment states that legislation would be satisfactory only if, among other things, it—

—(b) recognizes the principle of voluntary choice by the individual.

[Mr. Bigg.]

Again, I do not want to accept the process where I am fed through the mouth, or force fed, as a goose is, with all foods. I may not want some of the foods. If I have enough initiative to be able to pay for my own, should I not have the right to choose what I want?

• (4:50 p.m.)

This is not to say I do not believe in looking after people who are incapable of looking after themselves. Paragraph (d) of our amendment makes it clear that we believe no citizen of Canada should go without medical care. That is what I believe. I, for one, am willing to pay for that medical care. I always hope I shall be in a position to look after my own medical needs and that I shall always be in a position to help those less fortunate than myself. That is conservatism at its best, whether with a capital "c" or a small "c". The fact that I am willing to look after my father and my mother is not an invention of the socialist party. It is as old as Moses, and even older than that; we find it wherever decent animals congregate, let alone human beings.

I give hon. members credit for not criticizing that part of our amendment which speaks of the importance of making prior provision for sufficient medical research, and the training of adequate numbers of doctors and other medical personnel. There is nothing gained by building a race track if you do not have any horses.

With the best wishes in the world, you cannot have your children's tonsils cut out unless you have a doctor who is skilled, and who is ready and able to fiddle around your children's throats with a sharp knife. Let us make sure that in the plan to bring about this Utopia we all desire we do not forget the preparations which are necessary, and if we have to do a little more planning, or spend a little more money to get the desired results, we should be ready to do so.

Do not think I am against taking out the tonsils of your children or my children or anyone else's children. That does not wash. I hope the people of Canada are getting sick of this, and the sycophant treatment of every question that comes up. If I do not agree with you I am something vicious, something terrible, something obscure. Do you think I want any of your children to go without medical care? I want them all to have it. All I ask is that we should put our minds to it and find out the best, the most efficient and the most economic way of doing it.

There is another element which I think is very sacred indeed: Where I have the ability and the money to make a choice, I should be allowed some leeway in this matter. In some of the progressive provinces of Canada great steps have already been taken without the necessity of leadership from a socialist government or premier. Great steps have been taken in this direction. It is nonsense to say that because we do not subscribe to any one pattern we are antisocial or members of a ruling class.

It is not 1840 any longer. The ruling class today is probably the labour class, and I venture to say the labour people themselves do not want to be regimented to the extent certain hon. gentlemen pretend they do. I have been a labouring man most of my life, working with my hands. Perhaps I speak for a minority of one, but I do not want to be regimented. I want the opportunity to earn a good living in a rich, young, progressive land. That is all I want, and our main thought would be to see that every individual in Canada has a right to stand on his own feet. Only in a society where a lot of men are standing on their own feet shall we have provinces able to stand on their own feet, provinces which do not need to go to the federal government on their knees—and there are some provinces in exactly that position.

In my own province of Alberta there are many opportunities, for we are desperately short of labour. If there are any young men in Canada who feel they are not getting a proper deal, let them come out to Alberta and we will give them a shovel, or let them climb around an oil rig and earn wages of a kind which would make their fathers sick with envy. Then they will be able to stand up on their own feet and say what they think of anything, and not have to buckle under to the opinions of others, whether they are Conservatives, Liberals, Socialists, or anything else. There are still a few people in this nation who think that way.

We are not antisocial. We are men. You have to start there. If you do not have the desire to be independent, then for my money you are not a man, no matter with what political party you ally yourself. If you are young and healthy it is your duty to get out and help raise the gross national product so that we can afford social justice, no matter how high the price may be, in order to give every individual in this country a reasonable standard of living, a reasonable standard of education and a reasonable standard of medical care.

That is where I stand. That is where every member of my party stands, those who are known to me—and I have spoken to most of them and I have also listened. That is where we stand. That is why this amendment is not only reasonable but essential, particularly to those who call themselves Liberals, if they have not abandoned the stand taken by their great leader who said we must have unanimity of consent and a consensus of opinion.

Is there any hon. member in this chamber who does not believe, in the depths of his own conscience, that his father or his mother trying to get along on $75 a month should not be forced to pay for his or her own medical care. We say: Oh, let us not give the rich anything. If a man has $1,000 in the bank, cut him down to the bare bones and make sure he lives on crackers and tea. Or if he hides his money and puts it in a barrel in the basement and claims he is broke, he can get assistance. But if a man is honest and has a little shack or $1,000 in a saving bond, he is to be denied free medical care.

I think I know why the Liberal party has postponed the coming into force of this measure. I think there are men in that party who believe we have gone too far in our current spending for social justice and that we cannot afford more immediately. I was happy to hear the minister say that in the near future we shall have legislation before the house to look after those who are in need. This problem is to be fixed up. If this is the case, it will certainly plug one of the holes in the plan. But I think this is needed at this time. These people require medical care now. I do not want to be accused of filibustering or of trying to kill the bill when I am merely emphasizing the needs of those people who today cannot afford the cost of the pills and the medical care needed to keep them going.

I abhor the idea of a means test, in the first place. I do not know why an affluent society like ours—and it is affluent; look at the cars on the highway; look at the houses they are building, those who can afford them—should need such a test.

• (5:00 p.m.)

We are an affluent society and it seems to me that if it is necessary to tighten our belts a little bit to provide this kind of social justice, then we had better do it now, and never mind waiting until next year or three

years from now. If I could sit down right now and pass this thing I would do so.

Mr. Orlikow: Sit down, sit down.

Mr. Bigg: I should think my hon. friends to my left would like to hear at least this part of my address. It is urgent; it is necessary, and paragraph (d) of our amendment is an effort to say, regardless of party, regardless of class, regardless of personal income or lack of it, that we need action and need it now. This is one of the things we cannot delay any longer. Our people, even in the great province of Alberta, are not all getting it, and I think they should get it as a matter of right.

I do not think this is socialistic. This is a debt we owe. It is a debt to the people who pioneered this country, who have earned a right to have their broken, tired old bodies looked after for the remaining few years of their lives. How can I do otherwise than support this amendment in all four of its phases?

Before I sit down I want to reiterate that I believe in medical care. But that does not necessarily mean medicare, which is beginning to have a bad smell, so far as I am concerned, because it means some kind of state-imposed strait-jacket on the individual, on the doctor, on the province, and perhaps on the whole economy. I am willing to accept the principle of looking after our old people. I am even willing to accept what looks like socialism, or anything else you want to call it, so long as we can give our people social justice, something which we can well afford and which we have no excuse for delaying one more day.

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 public bills and private bills.

RAILWAY ACT

REVIEW OF TRANSPORTATION COMPANY REPORTS BY STANDING COMMITTEE

Mr. R. W. Prittie (Burnaby-Richmond) moved the second reading of Bill No. C-18, to amend the Railway Act.

He said: Mr. Speaker, earlier this week a private member's bill was introduced which was very timely. I refer to Bill No. C-234, to amend the Criminal Code by providing for the elimination of premium stamps in food establishments, and which was introduced by the hon. member for Cartier (Mr. Klein). If there were any inclination to proceed with that bill I would be quite happy to yield my place because of the importance of the subject. However, as the hon. member is not here I would like to give him notice that we in this party will be willing to yield our place any other Friday that private members bills come up for discussion, because his is one of great concern at the present time, due to high prices.

Bill No. C-18 is the same as Bill No. C-55 which I introduced in 1964 and which was debated on September 18, 1964. To explain the purposes of the bill I shall simply quote a few sentences from what I said on that previous occasion, as recorded at page 8221 of *Hansard* for 1964:

> This is an act to amend the Railway Act by requiring transportation companies operating under the Railway Act to file a copy of their reports with the House of Commons. My idea is that such reports should be referred to the committee on railways, canals and telegraph lines where they could be examined.

I went on to say that officials of the companies in question could be summoned before the committee where they could be examined by its members, as is done in the case of the Canadian National Railways. The purpose is still the same, Mr. Speaker, to have the companies in question, companies operating under the Railway Act, file returns with the House of Commons. These companies already file returns with the Board of Transport Commissioners and the Dominion Bureau of Statistics. My idea would be to have similar returns filed here and referred for examination to what we now call the transportation committee.

Government members who participated in the debate in 1964 spent a great deal of their time defending private enterprise and denouncing socialism. According to some of their remarks it appeared as though I were introducing a bill to nationalize the Canadian Pacific Railway. That may be a good idea in itself, but it is not the purpose of the bill and I feel their remarks were largely irrelevant. The purpose is simply to get officials of the railway companies—and I admit I have the C.P.R. particularly in mind—before a committee for questioning.

As we all know, the Canadian National Company officials appear each year, including the president, the vice presidents and all members of senior management. They are available to be questioned by members of the house. The C.N. is an organization that affects just about every community in Canada, and it is a good democratic practice that the

elected representatives of the people are given this chance to have a face-to-face meeting once a year with the officials of this very important corporation.

If one examines the minutes of the transportation committee proceedings he can see the type of questions which are put to the management of the C.N. We have questions about passenger services, about freight services, about the C.N. pension plan and other related employee matters, questions about Canadian National Steamship services which are so important to some of the Atlantic provinces, about telecommunications, about the operations of hotels and about trucking operations, but it seems strange that the second largest transportation company in the country does not have to appear before the elected representatives of all of Canada to subject itself to the same kind of questioning that the largest transportation company must do.

I would say the C.P.R. has just as great an effect upon the lives of the people of Canada as the C.N., perhaps even greater because the operations of that company are spread far and wide throughout the country. It not only operates its railway services and air line services but is now venturing into many other fields. It has a subsidiary company called Canadian Pacific Investments which has been busy buying shares in a great many other companies.

It has an interest in the following companies, and I cite these to show the diversity of its interests in Canada: Canadian Delhi Oils, Canadian Del Rio, Great Lakes Paper, Huron and Erie, Husky Oil, Investors Group, Montreal Trust, Provincial Bank, Rio Algom, Texas Gulf Sulphur, and of course Consolidated Mining and Smelting. It can thus be seen that the company has a very great effect upon the lives of the people in practically every community in the country.

It has been argued that the reason the C.N. appears before the transportation committee is because the C.N. is a crown corporation, and we are told that the C.P.R. is not, that it is private enterprise. However, we know that the Canadian Pacific is no ordinary private enterprise. I do not know of any other private enterprise in Canada which has received, as of December 31, 1963, $106 million in cash from the federal government, from provincial governments and from municipalities, and 44 million acres of land, including the mineral rights. Ordinary private enterprises do not receive that type of public help, but this one continues to receive federal money each year for a number of reasons. And so I feel there should be accountability by it right here before the House of Commons, or before a committee of the house.

• (5:10 p.m.)

There are a number of things that could be said to illustrate that the Canadian Pacific is no ordinary enterprise. I am not going to use my own words on this occasion, but will refer to a speech made in this house on February 22, 1965 by the then member for Halifax, Mr. Gerald Regan, who is now the leader of the Liberal party in Nova Scotia. I quote from page 11614 of *Hansard* of that date, where he said:

> I would preface my remarks by saying that a national railway, even if it had not received vast governmental assistance in the years gone by—as it has—cannot, in a country whose population is strung out along a narrow belt 4,000 miles long, ever be considered as just an ordinary private company engaged in competitive free enterprise. A national railway in this country must be part of the very holding together of our nation and its operations must, to some extent at least, be directed in consequence of this fact.
>
> We have a situation where the top officials and the president of the railway have been going around the country saying quite openly and blatantly that which for years they said secretly, namely that they were plotting to get rid of their passenger services and carry only freight.

At that point the hon. member for Kootenay West (Mr. Herridge) interjected these words:

> Regardless of the profits of the Consolidated Mining and Smelting Company.

Mr. Regan then continued as follows:

> My constituency of Halifax is only slightly involved. We are concerned with the continued service of a dayliner on the Dominion Atlantic Railway, which is a subsidiary of the Canadian Pacific Railways, from the Annapolis Valley into Halifax. However my main concern is a national concern. My attention has been directed to the subject because of the fact that the C.P.R. has served notice on the postal department that on June 23 they are going to abandon their mail contracts on trains 7 and 8 from Montreal to Vancouver and on trains 3 and 4 from Toronto to Sudbury, which is just one more step in drying up the revenue so that they can later on justify the abandonment of the service. This is the sort of program which this railway has been following.
>
> I said earlier that this railway had received substantial governmental assistance over the years, and of course they have. In addition they received a strip of land across the country, some of which has been sold off. They found minerals on some other parts, received subsidies and have built up the vast prosperity of the empire known as the Canadian Pacific Railways on the strength of these governmental gifts. And now, like the son who receives an inheritance from his father on the

basis that he is to maintain his mother, and then throws her out into the cold winter night—

Some hon. Members: Shame!

Mr. Regan:—the C.P.R. would keep only that part of its service for which it is responsible to the Canadian public that it feels like keeping. It wants to cast off its passenger service and other services which are of such great importance to keeping this country of ours tied together.

I merely quote that to illustrate the point that we are not dealing with an ordinary private enterprise when we ask this particular company to come and give an accounting to parliament each year.

Earlier this year the Canadian Pacific Railways did appear on an order of the house before a committee of the house when the subject of the proposed cancellation of the Dominion passenger service was under discussion. I suggest that if the house can make an order for their appearance in respect of that subject it should do so in respect of a great many other subjects. There are other matters which members of this house would like to question C.P.R. management about, including the same sort of thing we question C.N.R. management about—rail abandonment, branch lines operations in general, and passenger services. There are one or two other things we would like to question them about in particular.

During the past year a great many members of this house have received complaints from constituents who are employees of the Canadian Pacific Railway Company concerning the pension plan of that company and how the investment of the pension funds has been made, as well as how changes were made in the pension plan consequent upon the Canada Pension Plan, without consultation with the employees. We feel we should have a chance to ask management questions about these subjects and cross-examine them.

I have mentioned Canadian Pacific Railway Company investment in a subsidiary company which has been established to handle the non-railway operations of the C.P.R. This has an important bearing on the total financial picture of that company, and I think members of parliament should have the opportunity to question the company about this very considerable subsidiary which it has established and which now has an interest in many enterprises in Canada.

This bill is a very simple one and again I want to emphasize for the benefit of government members who may speak—because I would not want them to make the same mistake they made last time—that this is not a bill to nationalize. That is a separate subject. This is simply a bill requiring railway companies, and particularly the Canadian Pacific Railway Company, which has such an important effect on the lives of all the people in many communities in Canada, to appear before the committee of the House of Commons and answer questions.

This might be a good thing for the management of the C.P.R. They are not very well liked at the present time. As a result of the appearance of Mr. Donald Gordon year after year before this committee, a certain grudging admiration has been built up for him on the part of members of parliament.

Mr. Knowles: Including the hon. member for Lapointe (Mr. Grégoire).

Mr. Prittie: Yes, including the hon. member for Lapointe. As I said earlier, it might be good democratic practice on the part of management of that company to appear and subject themselves to questioning by representatives of the people, whose lives are affected by the operations of this company from one end of Canada to the other.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, when the hon. member for Burnaby-Richmond (Mr. Prittie) rose to his feet to address us on Bill C-18 I became curious as to its exact purpose. The bill appears to be innocent enough, designed to enable the house to look at some statistical returns. Having heard it said so often by the Chair, and rightly so, that one must not impute motives to a member, I waited, without imputing anything, to learn what imputations were contained in this bill. I found that the bill was designed to enable the hon. member to make a speech about the C.P.R., and it was a very interesting speech indeed. I want, however, to stick a little closer in my remarks to the bill itself than did the sponsor.

There are some things contained in this bill which are of considerable interest. I want to touch upon some of the remarks made by my hon. friend. In the explanatory note the hon. member has stated the following:

The purpose of this bill is to permit parliament to inquire into, as is done with the publicly-owned Canadian National Railways, the financial structure and the operations of those private railway, telegraph, telephone and express companies and carriers by water which come under the Board of Transport Commissioners as public utilities and quasi-monopolies.

The explanatory note then quotes from section 384 of the Railway Act. The first subsection of that section reads as follows:

> Every railway, telegraph, telephone and express company and every carrier by water shall annually prepare returns, in accordance with the forms and classifications for the time being required by the board, of its assets, liabilities, capitalization, revenues, working expenditures and traffic.

About a year ago, perhaps in the spring when we thought this bill was to come before us, I had a conversation with statisticians of the Board of Transport Commissioners and of the Bureau of Statistics regarding the nature of these returns and the preparation of them, and I asked what would happen if such returns were brought forward in the house. It might be of some interest to hon. members if I took a moment or two to reveal some of the conversations I had.

The basis of the statistical information on the operations of railways, telegraph and telephone companies, and so on, used by the Board of Transport Commissioners in their work, which forms, the basic statistics used by the Bureau of Statistics for its purposes and for the purposes of anyone who wants to make use of them, comes through these statistical returns. That is why it was written into the act that the statistical returns must be made.

• (5:20 p.m.)

The procedure for filing these returns is approximately as follows. The forms are sent to the railways and other companies which are asked to make returns. Over the years they have built up into quite complex forms, some of them running into dozens of questions, and in the case of the railways into well over 100. The railways fill out the forms as required as soon as the year-end statistics have been compiled, and forward them to the Board of Transport Commissioners, who then proceed with the business of editing. You can realize, Mr. Speaker, that this is a complex matter, with returns of this kind. I might say that nine returns come from telegraph companies, about five from express companies, eighteen railways are involved and some six waterway companies on the Mackenzie river. All these companies send in the returns requested by the Board of Transport Commissioners. Not all the information sent in is exactly in the form which the Board of Transport Commissioners requires. Notes have to be sent back and forth, and so several months pass before the statistics can be obtained in a uniform style for analysis by the Board of Transport Commissioners. At the same time these companies send to the Dominion Bureau of Statistics a complete set of the original returns and of the edited returns so that the bureau has the same information as is available to the Board of Transport Commissioners.

Some of the information which these companies are asked to submit is of a type that they certainly would not want to publish immediately with the year-end statement, because they are in competition with other carriers and enterprises. Therefore, Mr. Speaker, it certainly would not be fair to approach these companies and say, "We have singled you out from among the corporate enterprises of Canada to force you to make returns under an act of parliament, although we do not ask other companies to make such returns, and these statistics will be revealed to the public and your competitors."

We would not do that. No parliament of Canada would do such a thing. Therefore these reports initially are given in confidence and are used by the Board of Transport Commissioners for compiling total statistics to indicate the progress of transportation, telegraph, communication and so on throughout the country. This is a very legitimate procedure and one that is valuable to us in maintaining all kinds of statistics and records in regard to the economic growth of the nation. So these are valuable returns for this particular purpose.

I think it would be very wrong of us to introduce into the Railway Act a section which suddenly altered the entire purport of the section of the act that is designed only for statistics gathering, and make it the means whereby we would bring a railway company or any company, as far as that goes, before a committee of the house for annual examination, when the company is not now brought before a committee of the house for examination under any other act.

It is proposed under this bill to bring the C.P.R. before the house for examination. It may be wise to do this in the long run, because it is indeed an important company, as my hon. friend suggests. But other ways ought to be found to do this and the matter should be debated in some other form than that in which we are today debating this bill.

For these reasons, Mr. Speaker, I would not want to be a party to passing a measure of this kind which alters this section of the act in order to achieve an entirely different purpose than was originally intended.

My friend the hon. member for Burnaby-Richmond and I have just returned from a

most interesting visit to Iran and the city of Teheran, the capital of that country, where we were attending the annual meeting of the Interparliamentary Union. There we took part, with the Canadian delegation, in the deliberations with delegates from 63 other countries over the period of a week or so. One of the things that was most noticeable to Canadians visiting that country and city was that they do not have available the statistical tools that are available to Canadians, with which we are very familiar in our daily working in this house and with which Canadians in commerce everywhere are so familiar.

In that country you cannot get a mortality rate, you cannot get a birth rate, you cannot get any statistics in regard to the G.N.P. There really is no logical body of statistics in that land. This is characteristic of developing countries, namely that they do not have statistics to use as tools for economic analysis or for day to day use in a modern country such as Canada.

One of the ways in which we have acquired these tools is by keeping faith with the companies from whom we collect statistics. These companies have learned that when they give a body of statistics to a government agency such as the Board of Transport Commissioners for analysis, which statistics if they were given to the public at large would be used by their competitors, we will keep faith with them and the statistics will be used in a proper fashion and not against them by their competitors in industry. The companies have no reservations about filing these returns with the Dominion Bureau of Statistics and other government agencies which collect statistics in Canada because they know we will keep faith with them in this regard.

In the gathering of statistical information we have obtained an enormously valuable tool for research into the economic growth of the country whenever we require to have such information available. Therefore, Mr. Speaker, I say it would be an improper thing for us to take this section of the Railway Act and expand it into achieving some other purpose than the very simple purpose for which it was intended, namely the collecting of statistics for the benefit of the country at large.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I am happy to take part in this debate; it is a little refreshing to do so after the long discussion we have had on medicare.

[Mr. Deachman.]

First of all I want to say without any reservation whatsoever that I back the bill presented by the hon. member for Burnaby-Richmond (Mr. Prittie). I think it is a good bill.

I support the hon. member's bill on one main basis. I say this in answer to the argument presented by the hon. member for Vancouver Quadra (Mr. Deachman). I say that the railways are in an entirely different situation than other companies. There are only two major railway companies in Canada, although there are several small companies. It has been said that this nation is being held together by its transportation system. When we consider the way this nation has been going lately, especially under this government, and see that we are beginning to divide into regions, one region against another, and the country is falling apart, I am sure that many of us are very thankful that at least we have a transportation system that holds us together.

The railways in Canada, particularly the C.P.R. have a virtual monopoly on railroading in certain sections of the country. I support this bill because other railway companies would have to appear before a standing committee of the House of Commons, the same as the C.N.R. does, to answer questions on their operations. I believe this should happen, because in the province of Alberta, from which I come, the railway has a virtual monopoly in the southern part of the province. Calgary is a C.P.R. city. When you travel south of Calgary you find that all the lines that serve the agricultural enterprises are owned by the railroads. There must be a reason for this. It is true that we have had our largest grain sales ever under both Liberal and Conservative governments. In this regard they are both to be congratulated. But these sales would have been even bigger in 1964, 1965 and 1966 if we had had a better transportation system.

The minister tells us that the government are doing everything possible to move the maximum amount of grain from the country elevators to the ports from where it can be exported.

• (5:30 p.m.)

Now we know that the government dilly-dallied with reference to strikes which caused us to be unable to deliver the grain according to the contracts of sale. However, one of the major problems also is that the ports in Vancouver, through which much of our grain goes to the Far East, are not sufficiently

automated, as I remarked the other day in the House of Commons during orders of the day. They are not as highly automated as are the U. S. ports, and I say that automation will not take place there unless we get the C.P.R. to do something about it. I think the hon. members for Battle River-Camrose (Mr. Smallwood) and for Jasper-Edson (Mr. Horner) made a special trip to Vancouver and saw the slow rate at which grain is unloaded from the C. P. R. cars to the boats. The fact is that the C. P. R. should be brought before a standing committee of this house and interrogated. They control many of the docks, as well as the property there, and therefore they control the whole enterprise. They should be asked why they cannot move grain from the farms. I estimated, and my estimation was somewhat conservative, that this year we would produce in western Canada 800 million bushels of grain. We see now that western Canada has produced between 840 million or 870 million bushels.

The government says it has solved this problem not only for this year but in the projected future, which is all to the good. Nevertheless we will have lost those markets, as we did some of last year's sales to Russia, because we could not move the grain from the farms, and from the country elevators to the ports.

Very few people in Canada seem to realize that this is a $2 billion industry. Very few people in Canada seem to realize that the wheat producers of this country— and I want to emphasize this—are the only producers in the world who are not subsidized. We are the only exporting nation of the world that does not subsidize the farmer. Many people in Canada believe that the cheques from the Canadian Wheat Board come from the Canadian treasury. The Canadian Wheat Board is a separate board and it gets its money from the sale of the wheat which the farmers sell through the board. From the initial payment to the final one, it is the farmers' money, for their wheat, and there is no subsidization.

The situation was that wheat was left in the country elevators. I blame the C.P.R. for this, and I believe the C.N.R. is also responsible. When this crop was being harvested there were farmers in Alberta who were not able to deliver one bushel of wheat to the elevators to pay their expenses. When I mentioned this to a member of parliament from another section of the country, he was at a loss to believe that the farmer could not sell his wheat. He said: "But your wheat crop is sold". It is sold on paper, but what can the farmer do? He has to build bins and go to extra expense to store the grain himself because the C.P.R. and the C.N.R. have not done their duty to transport this grain from the country elevators to the ports and on to the ships of those nations who bought it. That is why I go along with the hon. member for Burnaby-Richmond (Mr. Prittie) when he says that C.P.R. officials should be brought before a standing commiteee. The wheat industry is the biggest industry in Canada, and the railroads of this country are letting the western farmers down.

I am glad to have the opportunity to speak on a bill such as this one, because this is the most important matter facing the government today, except for the question of the cost of living. Yet all we have been doing in the last two days, and all we will be doing for the remainder of this hour, is to talk about a bill which the government does not intend to implement for two years anyhow: What a window dressing.

I say that the C.P.R. should be brought before a standing committee, and I want to come to grips with this. My home city is a city of 350,000 people. Our original railway station was knocked down because the railway company was unable to come to grips with their financial commitments and their city land arrangements. We have in Calgary a C.P.R. station now which serves the Canadian on the main line. Yet in a city of 350,000 people, that station is not big enough to serve a hamlet of 3,000 people. It is usually overcrowded and in the summer it is a filthy place, full of flies—not a very attractive place for tourists. Believe me, that railway company should be brought to task before a standing committee of the House of Commons. The railway station in Calgary is a disgrace to the city, even if it were a temporary structure—which I do not believe it is. They say it will be there for two years.

I endorse the Liberal member's remarks when he says that the C.P.R. wishes to get out of the passenger service. I believe him. Let some hon. member try to make reservations on the "Canadian" in my home city. The line is usually busy in the summer, and I sometimes wonder whether they just take the phones off the hooks. You cannot make the reservations, and when you do get down to the station it is terribly overcrowded. Most of the time the "Canadian" is full to capacity. Matters having to do with the station are in a

terrible shape in Calgary. It is time this company were brought before a standing committee to answer questions.

I sincerely believe the C.P.R. is trying to get out of the passenger service. When they wanted to cancel the "Dominion", they were brought before a standing committee. Did anything happen then? Of course it did not. Some employees of the C.P.R.—and I cannot reveal their names—told me that the service on those trains was so bad because the company wished to discourage passengers. Neither the union nor the employees were consulted; they did not know what would happen to them when this service would be discontinued. The company ran roughshod over the employees and the brotherhood of railwaymen in the city of Calgary, and they have done the same thing in the rest of the nation. It is time they were brought before a standing committee.

I now wish to deal with a third point regarding the national park policy, which is one of the worst policies that has ever been implemented by any government. The Minister of Indian Affairs and Northern Development (Mr. Laing) has behaved in the most autocratic manner. Why has he discouraged the construction of buildings to serve tourists? There are 1,700,000 tourists coming to the Banff national park. The only people who have a monopoly in that park today, and who can build anything, are the ones who seem to have an "in" with the department of northern affairs and the C.P.R. They can build hotels, motels and restaurants. Canada Power can go in and develop a great skiing enterprise. But let the average man who has served the tourists in the parks for 30 years try it, and he is not permitted to do so.

The people who owned freehold land in the parks had their land expropriated. Has the same happened to the C.P.R.? Why is there one law for the C.P.R. and another law for the citizens of Canada and the national parks of Canada? What connection has the C.P.R. with this government or with the Department of Indian Affairs and Northern Development? I would like the C.P.R. officials brought before a standing committee and asked those questions. The hon. member for Vancouver Quadra (Mr. Deachman) said we would be sneaking into their financial reports if we did so. It is true that you cannot find here the financial reports of the C.P.R., but you can go down to the New York Stock Exchange and get one. The Americans can get them, but not the Canadians. You can get a C.P.R. report from the New York Stock Exchange if you are a shareholder. Maybe the C.P.R. managers do not know themselves what is going on, but they would soon find the information if they were interrogated by a standing committee of this house. They should be interrogated first on their passenger service, second on their freight service, and third on the automation of facilities for unloading grain in the ports.

This last mentioned is a point with which I should like to deal for a moment. Recently I read an article stating that the Americans can unload more grain in 15 minutes than the Canadians can in 24 hours. That is why we have tie-ups and the grain is still on the farms. I therefore say that the C.P.R. should be questioned on their passenger service, on freight, on the monopoly in the national parks and on the "in" they have with the Department of Indian Affairs and Northern Development in this government. The C.P.R. has now a new system. They are transferring their assets to the Marathon Realty Company, —I think that is the name of the company. Why is that being done? The petroleum wealth of western Canada was given to them because we knew, when they built the trans-Canada railway, that for a time it would not pay. So, this company was given so many sections of land in western Canada along with the oil rights. These oil rights were developed, like the rest of the enterprise in western Canada. Today they are being removed from the railway company to another company. These assets are being stripped from the railway company and placed in the hands of a holding company. When the trans-Canada transcontinental line is run ragged both in freight and passenger services, when the railway company can no longer say it is making $16,634,324 as it did in 1966, according to its financial report, the company will then say to the government: Take it over; we have our wealth stacked away. This is the wealth the Canadian government and the Canadian people gave them for the right to build this monopoly, and it will be in another company.

• (5:40 p.m.)

This is not good enough. This is not carrying out the terms and conditions of the charter for the railway which was given by the government—by a Conservative government —at the time it was built. In my opinion, this company should be brought before a standing committee of the House of Commons. This

company runs railway services, steamships, hotels and the petroleum industry, and we should find out now whether or not they have lived up to their contract.

It is pitiful to think that people now pay $12,800 for a medium sized wheat combine, yet they cannot deliver a bushel of wheat to the market because there are no quotas in this area. If people cannot deliver wheat, they cannot even make the down payment on these combines. People sit around and talk about the big crop out west. They say the farmers are all rolling in money. There is no money in the west until the farmers can sell their grain and get the money out of the wheat board. There is no money coming to the farmer until the wheat is sold and delivered. Grain cannot be delivered to country elevators today, and this is a serious problem.

The Liberals can bring as large a delegation from the west as they want, but it will not do them any good. Do you know what a farm union man told me in my office? He was a Liberal and he went to the Prime Minister's (Mr. Pearson) office and asked for action. This man lives at Rockyford, and if there is any question I am sure he would own up to his name. The Prime Minister said: Because you people did not vote for us, why should we worry about you? If that is the attitude of this government, then you have not got a vote left in the west because you have deserted us.

Mr. Walker: I rise on a point of order, Mr. Speaker. I am sure the hon. member, to whom I have listened with great interest, because he is a member of the legal profession would not want to enter into the record hearsay conversation. I want to make this particular point now because I know the hon. member, and he is fair. He knows enough to realize it is not right to put hearsay evidence into the record which comes from another person.

Mr. Woolliams: Well, Mr. Speaker, my idea of hearsay evidence and that of my good friend is entirely different. This is not hearsay when the farmer, a member of the United Farmers Union of Alberta, told me that. This is absolutely the fact.

An hon. Member: What is his name?

Mr. Woolliams: Do not worry about that; I am telling you the facts. If there is any question about it, I will give you his name and you can write to him. However, I am not going to put his name on *Hansard*; why should I? Those are the facts. This worries my good friends because it happens to be true and they happen to know that is exactly what goes on.

Coming back to the problem, I want to state that the passenger service, the freight service and the whole general financial structure of the Canadian Pacific, which as the hon. member for Burnaby-Richmond (Mr. Prittie) said we bonused to the tune of $106 million, should be brought before a standing committee and examined.

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, first of all I should like to say that since the Canadian Pacific is a national transportation system and since I am one of those who complained earlier this session about the service, I can see no particular reason for that company refusing to appear before the committee on transport if it were asked to do so. I feel the company has a certain obligation to do this.

Now, having put that on the record, I should like to make a few comments about the other aspects of this bill. While the bill deals with the financial structure and operations of those railway companies, telegraph, telephone and express companies as well as carriers by water which come under the Board of Transport Commissioners as public utilities, it does in some ways indicate a trend that seems to have become a part of our everyday society. This trend is one toward an increasing amount of paperwork and government regulation of private enterprise.

Many small businessmen have told me that the paperwork they are called upon to do by various levels of government has become very arduous indeed. When this country was in its pioneering stage, one of the major reasons it moved ahead in spite of many difficulties was the fact that there was lots of room for people who had the initiative to work and the desire to build a country that offered them many opportunities. While this bill deals with transportation and communication facilities, in so far as additional regulations are concerned it can be said that these are only part of the additional regulations that could be placed on any other type of business in the future. These businesses are already required to submit reports to the Dominion Bureau of Statistics and the Board of Transport Commissioners. If anyone wants any information about these transportation or communications companies, he can check with the Dominion Bureau of Statistics.

It is quite true, Mr. Speaker, and I am sure we are all aware of this, that during the days of the robber barons in the United States, that country passed legislation to control the giant enterprises. We in Canada, as well, have passed legislation to control the greed of some of these businesses. I refer for example to the Combines Investigation Act. Today we have legislation and other organizations that tend to offset any privileges or advantages that big business had in our economic structure. I am thinking here of the trade unions. Under our legislation businesses are forced to negotiate with the trade unions. The government provides for arbitration of disputes. When wage levels are arrived at, the wealth of the company is one of the factors that is taken into consideration. I should like to say here, Mr. Speaker, that I, like many other people, am in favour of a square deal for the labouring man as well as for the businessman. Labour should receive a fair return for services rendered, and the businessman who has a lot at stake must receive a fair return for his investment.

• (5:50 p.m.)

If in our future society we are going to continue to place regulations and many additional requirements upon businesses, we are going to discourage smaller business enterprises and this will speed up the process of driving small business enterprises into the hands of bigger businesses. Some room must be left in this country to encourage initiative in private enterprise if we are going to retain a reasonable amount of competition. Otherwise a greater measure of legislation will be necessary to control the giants. Canada is a young country; let Canadians have the opportunity to build it. You cannot take away initiative and discourage ambition and expect this country to grow and to develop.

As I said before, Mr. Speaker, these transportation and communications enterprises which are mentioned have to report to the Board of Transport Commissioners. In this way their business operations are reviewed in a fair and independent light, and they must answer for any irregularities. The transportation bill that has been introduced in this house and agreed to in principle provides for the setting up of a national regulatory body. Are we going to question this new body before it even has a chance to start its work or to prove itself?

We have in this house now a committees system that gives members considerable opportunity to air grievances. The order paper allows members to submit questions to appropriate departments. As hon. members in this chamber know, committee work is already quite onerous and if we intend to load committees down with work which is already being done by some other body, the committees system may very well be damaged.

[Mr. Hopkins.]

I have however no complaint about bringing giant corporations such as the C.P.R. before a committee. If any of the enterprises mentioned in Bill No. C-218 do not provide service, they are investigated. If there are complaints concerning safety factors, these complaints are investigated. If there are complaints about inefficiencies, these enterprises have to answer to the Board of Transport Commissioners. Are we in parliament going to set up a regulatory body, and then regulate the regulatory body that is responsible for enforcing the regulations? When there are inefficiencies in the new board, this parliament can complain about them; but at least we should give the new national regulatory body a chance to prove itself. Let us have efficient services, fair play to all parties and have controls where necessary; but let us not destroy initiative and the spirit of challenge of the Canadian people. The point in the bill, Mr. Speaker, concerning a particular giant corporation might be very well taken, but I should not like to see this measure applied to all when we have other means of control.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this has been something of a freewheeling debate, particularly the contribution made by the hon. member for Bow River (Mr. Woolliams). It provided him with an opportunity to speak on his pet subjects, the Canadian Pacific Railway and national parks. Obviously the hon. member for Bow River either has not spent too much time in the house this session or has not been reading the reports of the committee on transportation and communications. If he had, he certainly would have known that the Canadian Pacific Railway Company has quite willingly come before a committee of the house. Indeed, if I recall the statement of the president correctly, he said he would be happy to appear at any time to answer the charges that had been made by members of parliament and others about whether or not they have lived up to their commitment to Canada in respect of their contract to build a trans-continental railway.

The hon. member stated that the railway companies of Canada have fallen far, far behind the railways of the United States in the provision of dock and grain handling facilities. But, Mr. Speaker, the hon. member, as is usual for members of parliament or for any politician who wants to become successful in his career through the practice of condemning railways generally, forgot to note that the railways of the United States are paid something like 300 per cent more for handling export grain than are the railways of Canada, both the Canadian Pacific and the Canadian National.

The hon. member for Burnaby-Richmond (Mr. Prittie) pointed out that something like $106,000,000 had been paid in subsidies to the Canadian Pacific Railway over the last several years. He again neglected, of course, to point out that this was a subsidy which was paid in lieu of freight rate increases that were granted by the Board of Transport Commissioners, a body which is set up to do the things which are required to protect the shippers of Canada.

The hon. member for Burnaby-Richmond feels that the Canadian Pacific Railway, and others, should be brought before a committee of this house so that in that forum their labour relations problems can be discussed by members of parliament. Up until a few years ago when the heavy hand of government regulation fell upon them very strongly, the Canadian Pacific Railway was far, far in advance of all other industries in the field of labour relations in Canada, providing its employees with a good annual income, a pension plan and so on.

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

Mr. Byrne: So that he certainly could not improve the circumstances of its employees simply by bringing the corporation before the House of Commons on an annual basis to discuss its relationships with the shippers and its employees. I think that in every respect this is another indication of the socialist trend toward domination of businesses.

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

Mr. Deputy Speaker: Order.

Mr. Byrne: I have no objection.

Mr. Herridge: Does the hon. gentleman think that the C. P. R. lived up to its obligation in respect of passenger service on the Kettle Valley railway?

Mr. Deputy Speaker: Order. The hour for the consideration of private members business has expired.

BUSINESS OF THE HOUSE

Mr. MacLean (Queens): Mr. Speaker, I wonder if I might ask the acting house leader what the business will be for Monday, and the beginning of next week.

Mr. Pepin: The order of business will be, I am informed, first, medicare; second, feed grain; and third, the immigration appeal board.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, October 17, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. NUGENT—OBJECTION TO STATEMENTS BY DEFENCE MINISTER

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, I rise on a question of personal privilege arising out of statements made by the Minister of National Defence as reported in the Ottawa *Journal* of Saturday, October 15 under the by-line of Victor J. Mackie, the words giving rise to such question of privilege being the following:

> "It is apparent that he has had second thoughts and is now engaged in the complete 'back-off' which substantiates my contention that the charge was 'spurious' designed to damage my reputation rather than to get at the facts."

Those are Mr. Hellyer's words. The minister was speaking about me and his statement clearly imputes an improper motive. His words are so strong as to impugn my very honour and integrity.

Mr. Speaker, as all hon. members know, the facts of the case are that I made a very serious charge against the minister, that I made it in this house in the only manner in which it could be made—that is by rising in my place and taking full responsibility for my words—and having done that, the charge is now complete and stands against the minister as it stood when I made it. Having made the charge, I could have merely sat down at that point, but naturally when very serious matters are at stake we try to assist the house in finding a way in which the matter can be dealt with.

The reason for not going further was simply the procedural difficulties which I have been unable to overcome. I would remind the house that on Wednesday, October 12 these difficulties were almost overcome but the minister, who as an honest gentleman should have been looking for a way to have the matter investigated so that his name could be cleared, was the only member in the house to refuse unanimous consent which would have made it possible for this matter to be investigated.

Then on Thursday, October 13 the minister, having barred further consideration of this matter, made some statements against me which caused me to rise on a question of privilege suggesting that he was attacking my motives. Your Honour will remember that when you dealt with this matter on Thursday the minister got up and made a statement which in my opinion did not clear the minister of imputing motives; but Your Honour, on considering the matter, said the following:

> My limited experience in the house indicates that it is not per se, unparliamentary to say of another member that the statement he makes is false, untrue, wrong, incorrect or even spurious, unless there is an improper motive imputed—

Further on you said:

> The minister has taken the opportunity to do what I would have asked him to do in any event, to say that he did not impute motives.

Mr. Speaker, I contend that it is no longer open to the minister to suggest that he was not imputing motives. He made the statement to the press expressly for the purpose of imputing motives.

The manner in which he made that statement makes it quite obvious that he was imputing motives.

I would ask Your Honour to rely on the statement with which you ended your ruling that I did not have a prima facie case of privilege, which appears at the top of page 8599 of *Hansard*:

> I realize that in some instances words may be used which are so strong as to impugn the very honour and integrity of the individual member against whom the words are directed.

Now, sir, in the circumstances you did not feel that was the case; but I submit to you, sir, that your ruling cannot apply now since the minister has suggested that the charge is not well founded, that I am responsible for not proceeding with it, and am backing down. He has gone even further and said that I am proceeding with the case only to embarrass him.

In view of your remarks on Thursday indicating that the only difference between Your Honour and myself as to a proper case of privilege so the house might consider the very serious matters I raised was based on the minister's statement at that time. I ask Your Honour to rule that I now do have a prima facie case in this matter.

Question of Privilege

• (2:40 p.m.)

Mr. McIlraith: On September 7 a question was raised on this point, as nearly as I can find the precise—

Mr. Speaker: Order, please. Before the Minister of Public Works is allowed to make a statement in reply to the question of privilege raised by the hon. member for Edmonton-Strathcona I should read, for the guidance of the hon. member, a citation from May's seventeenth edition, as recorded on page 135. It refers to a procedural point which should be clarified:

> When complaint is made of something published in a newspaper or book, a copy of the newspaper or book, and when complaint is made of a letter sent to a member, the original of the letter said to have been written, must be delivered in at the table by the member who makes the complaint and passages complained of read aloud by the Clerk for the information of the house before any further proceedings are had in relation to the complaint.

I believe it is the practice of the house for the article complained of to be tabled. I assume the hon. member will have a copy, and he should table it with the Clerk. I suggest that the relevant portions be read into the record so we may continue the discussion thereafter.

The Clerk:

Ottawa Journal, Ottawa, Saturday, October 15, 1966. Says MP "Backing Down".

Nugent having second thoughts Hellyer claims.

By Victor J. Mackie, Special Journal Correspondent.

Defence Minister Hellyer said Friday that it was now apparent that Alberta Conservative MP Terence Nugent has "backed down" from his original charge against the minister of having "tampered" with evidence before the defence committee.

"It is apparent that he has had second thoughts and is now engaged in a complete 'back-off' which substantiates my contention that the charge was 'spurious', designed to damage my reputation rather than to get at the facts", Mr. Hellyer said.

Mr. Speaker: Again for the guidance of the house I will read a second citation from May's seventeenth edition, page 143:

> Where the member complained of is present when the complaint is made, or attends pursuant to the order of the house, it is the rule that he should be heard in explanation or exculpation as soon as the question on the motion founded upon the complaint is proposed from the Chair, and then withdraw, unless the complaint is founded upon a written paper or other document, in which event the member complained of should be heard as soon as the paper on which the complaint is founded has been delivered in at the table and read, and before the question founded upon the complaint is proposed from the Chair.

[Mr. Nugent.]

Mr. Hellyer: I am sorry, Mr. Speaker; I did not hear that injunction.

Mr. Speaker: I am sorry; I did not hear what the Minister of National Defence said.

Mr. Hellyer: That was precisely my difficulty; I was unable to hear your instructions.

Mr. Speaker: They were not instructions. I just mentioned that after the paper or document complained of has been filed with the Clerk of the House, if the member whose declaration is being complained of wishes to make a statement, this is his opportunity to do so. There is, of course, no obligation on the member to make such declaration.

Mr. Hellyer: If that is the rule I should like to make a brief statement. Unfortunately I do not have with me the statement I would have made if the hon. gentleman had proposed a motion accusing me of improper conduct.

Mr. Nugent: It did not do any good the last time.

Mr. Hellyer: In respect to this whole matter I would like to state what I believe to be the constitutional practice in the parliamentary system in respect to departmental officials or military officers appearing as witnesses before parliamentary committees.

Mr. Speaker: Order. I hesitate to interrupt the minister, but I suggest that the only statement he could make at this time would be with particular reference to the document tabled. I do not think he should be allowed to make a general statement. The purpose of this is to enable the Chair to determine whether or not there is a question of privilege.

Mr. Hellyer: Mr. Speaker, if that is the only point at the moment I would have to wait until I have had a chance to examine the newspaper and check it against my recollection of the events.

Mr. Speaker: If there are no further comments perhaps the Chair, with very little to judge upon, should be allowed to reserve its decision. But before even having the opportunity to consider the matter I believe that after the minister has read the article he should have the opportunity later on, possibly tomorrow, to make a statement, following which the Chair will be in a better position to determine whether there is a question on which a motion might be founded.

PUBLIC ACCOUNTS

Fourth report of standing committee on public accounts—Mr. Hales.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

• (2:50 p.m.)

FISHERIES

TABLING OF REPORT ON FRESH WATER FISH MARKETING

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I wish to table two copies in English and French of the report of the royal commission of inquiry into fresh water fish marketing. In July, 1965 the government announced the establishment of a one man commission to consider and report on the export marketing problems of the fresh water fish industry in the provinces of Manitoba, Saskatchewan, Alberta and Ontario, and the Northwest Territories. George H. McIvor, C.M.G., an outstanding authority on board marketing was named as commissioner.

The inquiry arose from recommendations made by the federal-provincial prairie fisheries committee which had been studying instability of prices and demand in fresh water fisheries products, as well as the means for improving returns to primary producers by more efficient marketing.

The report of the royal commission of inquiry into fresh water fish marketing recommends that a fresh water fish marketing board be established under federal legislation. It further recommends that the board should handle all export and interprovincial sales of fresh water fish in the designated area consisting of northwestern Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories.

The report proposes that the board should be the sole buyer of fresh water fish from the fishermen, but that the services of the present exporters, packers and processors be utilized under contract with the board. The report is being studied by the government which will consult with provincial governments and with representatives of the trade before decisions are made regarding its recommendations.

Hon. J. A. MacLean (Queens): Mr. Speaker, I am sure that members of the house and the fishing industry, especially that segment of the industry directly concerned, will welcome this report and will study its recommendations with interest. I think it should be

noted that the designated area, as the minister has said, consists of northwestern Ontario, the prairie provinces and the Northwest Territories.

I should like to interject at this point that the problem of the lack of bargaining power in the hands of primary producers, especially the producers of highly perishable products, is a general problem. After the government has held consultations with the industry and with the provincial governments concerned and, of course, after they have studied the report, as the minister promised they would, we will await with interest any change in government policy which may result from this report.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, we have not had an opportunity to see this report. From the preliminary summary the minister has given this royal commission seems to have done an excellent job of investigating the problems of the inland fishermen, particularly those in northern Ontario, the three prairie provinces and the Northwest Territories. The suggestion that there be a board to market the products of these fishermen commends itself to us. We know something of the difficulties which the fishermen have faced, and the very considerable exploitation of the fishermen. They have received low incomes over a period of years.

We want to study the report, because there are constitutional problems as to how this will fit in with the various provincial administrative bodies which have been set up to deal with this matter. Certainly in our opinion the idea of an over-all board rather than provincial boards would commend itself provided the various provincial authorities were prepared to co-operate and delegate the necessary powers. I hope that as quickly as possible the government will send this report to a committee of the house so that fishermen can be heard, the industry can make representations, and the legislation can be prepared. Alternatively, the government itself might quickly draw up legislation and put it before the house so the house could send the measure to a committee.

I hope this report will not suffer the fate of so many royal commission reports, which contain excellent recommendations only to find they have been pigeon-holed. This is a matter which has been of concern to federal and provincial governments for many years. I am delighted that some action has

been taken to ascertain the facts and make recommendations. It is to be hoped that some action will be forthcoming now.

Mr. H. A. Olson (Medicine Hat): It is well known that for a number of years the price of fresh water fish caught in western Canada and the Northwest Territories has been subject to wide variations.

The findings of the royal commission indicate that this situation is due in a large measure to the uncertainty of the export market from one year to the next, or even from week to week during the season. The only major recommendation we find in the report is that a government marketing board be set up to purchase all this fresh water fish. However, this in itself would not appear to be a complete solution; it would not necessarily present the variations which are apparent in export prices.

It is well known, however, that in the past the bargaining position of individual fishermen in the industry has been very weak. If the setting up of a purchasing board could strengthen the marketing position of fresh water fishermen we would certainly give some support to such a move. At the same time we should realize that purchasing boards established in Canada are not always effective in finding solutions to problems concerning the export market.

I think the fishermen should be consulted. They should be asked whether they want to market their fish in this way and whether they are willing to submit to the regulations which accompany such a scheme, for instance quotas and market sharing by means of quotas. We should certainly support them in an effort to find ways and means of strengthening their position.

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN TWELFTH REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) moved that the twelfth report of the standing committee on finance, trade and economic affairs, presented to the house on Friday, October 14, be concurred in.

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Motion agreed to, on division.

[Mr. Douglas.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOMES OF CANADIAN FAMILIES

Question No. 1,619—**Mr. Orlikow:**

1. What were the average salaries and wages (excluding military pay) for 1964 earned by Canada's labour force?

2. What was the average income for 1964 of Canadian Indian families excluding general assistance and family allowances?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and Indian Affairs and Northern Development as follows: 1. The average weekly wages and salaries in 1964 (industrial composite) was $86.68. No information is available regarding the number of weeks employed in 1964.

2. It is not possible to give the average income of Canadian Indian families for 1964, but according to figures obtained from a housing survey in March 1965 estimated annual incomes of Indian families residing in Indian communities, excluding general assistance and family allowances, were in the following ranges: $2,000 or less, 22,640 families; $2,001 to $3,000, 4,929 families; $3,001 or over, 3,769 families.

The figures given in response to parts 1 and 2 of the question come from different sources and should not necessarily be construed to be comparable. Many Canadian Indians obtain non-cash income such as food from domestic fishing, meat from their hunting activities and housing provided under programs financed in whole or part from public funds. This is not reflected in the figures in part 2. In the 1964-65 fiscal year, welfare assistance amounting to more than $5,000,000 and housing assistance in excess of $4,500,000 was provided to Indian families through the Indian affairs branch. The amounts of additional payments for such benefits as family allowances, disability and old age assistance are not compiled or maintained separately for Indian families.

FORT SMITH AIRPORT CONSTRUCTION

Question No. 1,949—**Mr. Orange:**

1. For what reasons was construction of the terminal building at the Fort Smith airport not proceeded with this year?

2. Will construction be carried out next year and, if so (a) what will be the cost (b) how long will it take to complete?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Construction of the terminal facilities to be added to the operations building at Fort Smith did not proceed during the 1966-67 fiscal year due to heavy program elsewhere and limited availability of funds.

2. It is the present plan, subject to availability of funds, to call tenders for construction in the spring of 1967: (a) The estimated cost of the project is $275,000 including related works. (b) Construction has been phased in two stages, to keep the airport fully operational at all times. It is expected that it will take approximately two years to complete the project.

COMPANY OF YOUNG CANADIANS—NORTHERN PROJECTS

Question No. 1,956—**Mr. Orange:**

Are there any projects sponsored by the Company of Young Canadians in the Yukon Territory and the Northwest Territories and, if so (a) how many (b) what is the nature of these projects (c) how many volunteers are involved in these projects (d) are there any plans to increase the number of projects in these areas?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the Company of Young Canadians as follows: Yes. (a) one; (b) the project, in co-operation with the Indian-Eskimo Association of Canada, consists of developing a radio forum of the north; (c) two; (d) discussions about other possible northern projects are now taking place.

SCHOOL CONSTRUCTION ON INDIAN RESERVES, NORTHWESTERN ONTARIO

Question No. 1,963—**Mr. Reid:**

1. Has the government let contracts for the building of schools on isolated Indian reserves in northwestern Ontario?

2. If so (a) how many contracts have been let (b) what is the value of each contract (c) what are the names and addresses of the successful and unsuccessful bidders?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, in constituencies of Kenora-Rainy River and Port Arthur; nil in constituency of Fort William.

2. (a) 3, since April 1963. (b) Bearskin (near Pickle Crow) (Port Arthur): 2 classroom school, 3 bedroom residence and power house, $112,489.83. Grassy Narrows (Kenora-Rainy River): 3 classroom school, two 3 bedroom staff units and power house, $109,530.87. Big Trout Lake (Port Arthur): 6 classroom school, three 3 bedroom staff units and sewage lagoon, $435,000.00. (c) Bearskin: Successful bidder, Zelmer Construction Co. Ltd., Winnipeg Man. Others: F. W. Sawatzky Ltd., St. Boniface, Man.; A. K. Penner & Sons, Blumenort, Man.; Surety Construction Co. Ltd., St. Boniface, Man.; McLeod Construction Co. Ltd., Fort William, Ont. Grassy Narrows: Successful bidder, A. K. Penner & Sons Ltd., Blumenort, Man. Others: Harry Christianson Construction Co. Ltd., Fort Frances, Ont.; E. R. Norman Ltd., Kenora Ont.; Bergman & Nelson Ltd., Kenora, Ont.; T. Zelmer Construction Co. Ltd., Winnipeg, Man.; Surety Construction Co. Ltd., St. Boniface, Man. Big Trout Lake: Successful bidder, B. F. Klassen Construction Ltd., Winnipeg, Man. Others: A. K. Penner & Sons Ltd., Blumenort, Man.; The Carter Construction Co. Ltd., Winnipeg, Man.

COLOUR TELEVISION OVER RELAY TRANSMITTERS

Question No. 1,964—**Mr. Reid:**

Has the C.B.C. drawn up a schedule to provide for conversion to colour television of the off-network relay transmitters and rebroadcasting stations which serve small communities across Canada?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. that after authority is given for this second stage of colour development, the corporation will proceed on a phased basis with priorities. In the meantime, the corporation has only tentative schedules and some preliminary financial forecasts, all of which are subject to change.

TAB CERTIFICATION FORMS, GENERAL MOTORS

Question No. 1,983—**Mr. Orlikow:**

Has General Motors agreed to complete the necessary forms for certification by the adjustment assistance board that the workers at General Motors Oshawa plant have been laid off as a result of the Canadian automotive program, so that those who are eligible may receive their transitional assistance benefits?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Yes. General Motors has already supplied an initial list of those affected by the lay-off and is assembling additional information to complete the forms. General Motors has also supplied information on the nature and causes of the lay-off. The application for certification in this case was made by the United Automobile Workers.

Inquiries of the Ministry

FILM ON NATIONAL CAPITAL

Question No. 1,988—**Mr. Bell (Carleton):**

1. Does the National Capital Commission propose to prepare and issue a motion picture film on the national capital?

2. If so, when is it anticipated that this film might be available for distribution?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes. Two motion picture films.

2. The first film will be available for distribution early in December, 1966; the second is expected to become available late in 1967.

GUIDE TO NATIONAL CAPITAL COMMISSION

Question No. 1,989—**Mr. Bell (Carleton):**

1. Is the National Capital Commission engaged in the gathering of data for an historical guide to the national capital region, excluding Ottawa?

2. If so (a) how is this work being done (b) when is it expected it will be completed (c) is it anticipated that these data will be published, and if so, when?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. (a) By the National Capital Commission historian from data gathered in field trips. Parts of the historical guide are submitted to local historians and historical societies for their suggestions. (b) It is expected the text will be completed by November 30, 1966. (c) The National Capital Commission plans to publish this work about the middle of 1967.

PUBLIC SERVICE

REQUEST OF POSTAL WORKERS FOR RIGHT OF NEGOTIATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Labour I would ask the Prime Minister whether he has received a communication from the Ottawa local and affiliates of the Canadian Union of Postal Workers, asking that the Prime Minister intercede immediately so that postal workers may be granted the right to negotiate under the provisions of the Industrial Relations and Disputes Investigation Act, also asking the Prime Minister to accept the principle that until the report of the Montpetit commission is released, Bill C-170 be not finalized in committee hearings to enable representatives of the postal workers to make their representations regarding this matter which they consider of first importance.

[Mr. Mackasey.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this morning I received the telegram to which my right hon. friend has referred, but I have not yet had the opportunity to discuss it with the Minister of Labour or the minister in charge of the Treasury Board. I propose to do that at once, and I hope a statement can be made on the matter very shortly.

Mr. Diefenbaker: Would the Prime Minister say whether he can see any difficulty in the way of accepting this suggestion on the part of the postal workers, who ask that the bill presently before the house should exclude them in view of their peculiar circumstances?

Mr. Pearson: Whether or not I can see any difficulties, Mr. Speaker, will depend on the opportunity I hope to have to look into the telegram and discuss it with my colleagues, and possibly I may make a statement tomorrow.

CANADIAN CENTENNIAL

REQUEST FOR RECONSIDERATION OF PROPOSED YOUTH PARLIAMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the government's very regrettable decision not to proceed with the youth parliament as part of Canada's centennial celebrations in 1967, I want to ask the Prime Minister whether any further consideration is being given to staging this project, which was recommended by an all party ad hoc committee of the house, particularly in view of the fact that there seems to be very great interest among young people all across Canada in this project.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the proposal as put forward was not recommended by the centennial committee that looked into it, but the whole question that has been raised by my hon. friend of youth representation in an appropriate way during centennial year is now under consideration, and either I or the Secretary of State hope to make a statement on that matter shortly.

Mr. Douglas: As a supplementary question may I ask the Prime Minister, would the government consider reconvening the all party ad hoc committee which looked into this matter, to give them an opportunity to examine it, in view of the fact that members of parliament are probably much closer to

young people in the various constituencies and might be able to make useful suggestions as to how a youth parliament might operate successfully and effectively?

Mr. Pearson: I shall take the matter under consideration, Mr. Speaker, but it may be that as a result of the statement that will be made to the house on this matter no further meeting of this kind will be required.

FISHERIES

INQUIRY AS TO FRESH WATER FISH MARKETING BOARD

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce arising out of the report he tabled in the house today. Is it the intention of the federal government to initiate action or to propose to the provinces that a fresh water fish marketing board be set up? If that is anticipated, would it include taking a ballot of the fishermen involved?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, it is not our intention to make recommendations at this stage. We are sending the report out for study, and when we receive recommendations we will consider them.

URANIUM

REPORTED POSSIBILITY OF SALE TO FRANCE

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce. Has the minister any information to give the house regarding a change in the uranium situation as it applies to Canada, which would cause the recent unexplained fluctuation in uranium securities?

Hon. Robert Winters (Minister of Trade and Commerce): No, Mr. Speaker. I presume the hon. member is referring to reports that were prevalent in the press and over the radio during the week end of an imminent transaction between Canada and France, and I have no knowledge of any developments which would support any such rumour.

[*Translation*]

[*Later:*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to address my question to the right hon. Prime Minister.

Could the Prime Minister inform the house as to the present situation in negotiations with the French government with regard to the sale of uranium to France, and would he be in a position to tell us if this sale is about to be made?

Mr. Speaker: Order. May I point out to the hon. member that this question was asked earlier this afternoon.

[*English*]

EXPO '67

REPORTED INVITATION TO HIS HOLINESS THE POPE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is he in a position to inform members of the house whether an invitation has been extended to His Holiness to visit Expo '67 next year; and if such an invitation has been extended is he in a position to tell us whether it has been accepted?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure Canada would welcome a visit from his Holiness the Pope, just as recently we warmly welcomed the Archbishop of Canterbury, and as the people of Canada would welcome any great religious leader to this country. However, I believe some of the press reports on this subject are inaccurate. It is my understanding from the office of the Apostolic Delegate that in response to press inquiries it has been stated that there is no truth to the rumours that the Pope can come to Canada in 1967.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO EMPLOYMENT OF H. G. WALKER

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State, and in her absence the acting minister, and his absence her parliamentary secretary, regarding a C.B.C. information services release late Friday afternoon referring to the establishment of a Commonwealth Caribbean-Canada broadcasting centre in the West Indies. It is stated in the release that the nominee for co-ordinator of the undertaking is Mr. H. G. (Bud) Walker, former

vice president of C.B.C. network broadcasting. Has this gentleman been released or suspended from his previous position?

Mr. Speaker: Order. I suggest to the hon. member that this question might be placed on the order paper.

Mr. Winkler: It is a very urgent one, Mr. Speaker.

Mr. Speaker: It may be, but I fail to see the urgency. I suggest to the hon. member that he might indicate the urgency of the question since it is not readily apparent to the Chair.

Mr. Winkler: The urgency is very evident from the controversy that existed previously and possibly still exists within the C.B.C., and it is of such urgency that I now put the question to the Prime Minister.

Mr. Pearson: Mr. Speaker, I shall be—

Mr. Speaker: Order. The fact that the hon. member is now putting the question to the Prime Minister does not make it more urgent. I suggest to the hon. member that the question might well be debated later on this evening.

GRAIN

CHURCHILL, MAN.—STORAGE IN TERMINAL ELEVATOR

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I wish to direct a question to the Minister of Finance. Can the minister say whether the wheat board has made a decision regarding the storage of grain in the Churchill terminal elevator this winter?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, as I understand the situation from the wheat board they are now having discussions with the railway companies about the availability of cars to move as much as possible of Canada's crop to port in all directions. I further understand that at the present time there is some difference of opinion as to the availability of box cars, and this is now being discussed between the railways and the wheat board.

Mr. Simpson: As a supplementary question can the minister say when the wheat board will be in a position to determine whether or not it is going to store grain at Churchill this winter?

[Mr. Winkler.]

Mr. Sharp: No, I am not certain about that matter, Mr. Speaker. I do know there is some difference between the board and the railway companies. This concerns matters of facts, not of opinion, and until these facts are settled the wheat board will not be in a position to make a decision.

Mr. Simpson: I wish to direct one further supplementary to the Minister of Transport. Can he say whether the wheat board has been made aware of the large rehabilitation program which is planned for Churchill terminal this winter, and which can be more satisfactorily carried out if the elevator is filled this winter?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I apologize to the hon. gentleman. I did not realize that question was for me. Since the question concerned the Canadian Wheat Board, for which I do not answer, I felt it would perhaps be inappropriate for me to say whether they were made aware of it. I was aware of it. I think probably this is one of the considerations which has been brought before the Canadian Wheat Board, but I would not be able to speak for them.

Mr. J. H. Horner (Acadia): Mr. Speaker, I have a supplementary question for the Minister of Finance. Is the minister aware of the hundreds of thousands of bushels of grain being stored in makeshift bins across the prairies which the producers would like to get into permanent storage?

Mr. Sharp: Yes, Mr. Speaker; we are very much aware that this is the greatest crop this country ever has produced, and I imagine there will be difficulties regardless of the very great success the Canadian Wheat Board has had in selling and moving the grain.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the minister say whether the terminal elevators in both Moose Jaw and Saskatoon will be used to their fullest capacity this winter? They have not been so used recently.

Mr. Sharp: Mr. Speaker, I will ask the wheat board what are their intentions.

[*Later:*]

Mr. Simpson: Mr. Speaker, I should like to direct a question to the Minister of Finance. I should like clarification of the answer he gave. When the minister answered, was it his intention to indicate that Canadian National

Railways were not in a position to say definitely whether they could handle the transportation of this wheat to Churchill?

Mr. Sharp: Mr. Speaker, a discussion has been going on between the wheat board and the railway companies on this important point, and neither side has satisfied the other yet.

Mr. Simpson: On a question of privilege, Mr. Speaker, it seems to me that we have a definite conflict of answers coming from the treasury benches. I refer Your Honour to *Hansard* of Thursday last, October 13, and an answer given by the Minister of Transport who stated, among other things, that this year there are box cars available—

Mr. Speaker: Order, please. I suggest to the hon. member that it is not a question of privilege when there is a discrepancy between statements made either by two members of the government or two other members of the House of Commons. This is a point of debate which the hon. member may wish to raise in other circumstances, but it is not a question of privilege.

Mr. Simpson: Then through you, Mr. Speaker, could I ask the two ministers to get together and give us an answer?

Mr. Speaker: The Chair will use its good offices to achieve this.

FINANCE

INQUIRY AS TO PRESENTATION OF ADDITIONAL BUDGET

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, my question is for the Minister of Finance. Does he still intend to produce a baby budget this fall? If so, could he inform the house how soon it may appear?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I made the government's intention in this regard clear to the house. I have nothing to add to what I said at that time. The date has not been decided upon.

Mr. Lewis: May I ask a supplementary question, Mr. Speaker. It is not unknown for the government to change its mind. I just wanted to know whether you were still intending to do this.

Mr. Sharp: The government intends to bring before parliament the guaranteed income plan. The reason we will be having a small budget is to meet the needs of this very important program.

Inquiries of the Ministry

HIGHWAY SAFETY

FEDERAL REPRESENTATION AT MEETING OF PROVINCIAL MINISTERS

On the orders of the day:

Mr. John Addison (York North): Mr. Speaker, I should like to direct a question to the Minister of Transport in connection with the meetings taking place in Toronto today and tomorrow of ministers responsible for highway safety across Canada. I should like to ask the minister whether the federal government is represented at this meeting.

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

[*Later:*]

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the fact that the government hopes to enter the motor transport field soon, does the minister not consider it would have been prudent to have at least an observer in attendance at the meeting of the provincial transport ministers today in Toronto?

Mr. Speaker: Order, please. I suggest that the question is argumentative.

[*Later:*]

Mr. Addison: Mr. Speaker, I should like to direct another question to the Minister of Transport. Was the federal government invited to attend the highway safety conference taking place in Toronto at the present time.

Mr. Pickersgill: The answer, sir, is no, the federal government was not invited either to send a representative or even an observer. If we had been invited to send an observer I think we would have done so.

Mr. Addison: May I ask a supplementary question, Mr. Speaker. Does the minister not think that on such an important affair as this we should have taken the initiative and sent an observer?

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. This question is obviously argumentative.

EXTERNAL AFFAIRS

NATO—POSSIBLE CHANGE IN ROLE OF CANADIAN FORCES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to ask the Secretary of

State for External Affairs a question which I put to the Prime Minister on Friday and to which I understand the Secretary of State for External Affairs has an answer. In light of the fact that three of our major allies, Great Britain, the United States and the German Federal Republic, apparently are reconsidering the force goals of NATO, does the Canadian government contemplate making known to its allies any desire to alter the future role of Canadian forces in NATO?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it is clear that no country or group of countries in the North Atlantic Treaty Alliance can take a decision which is in any way binding on all. The only way decisions of that kind can be taken is by all members of the alliance participating in the decision.

Mr. Brewin: I have a supplementary question, Mr. Speaker, assuming what the Secretary of State for External Affairs said was an answer, although I do not think it was an answer to my question. Is the Canadian government proposing to suggest to its allies that it might alter its future military role in NATO?

Mr. Martin (Essex East): Mr. Speaker, I cannot go beyond the answer I have given.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I ask a supplementary question. Could the minister inform the house whether he has given consideration to using the New Democratic Party program with regard to NATO as guide lines for the government?

Mr. Martin (Essex East): Mr. Speaker, I have given consideration to a lot of guide lines proposed by the N.D.P. and have not found too many that were worthy of adoption.

LABOUR CONDITIONS

LOUISBOURG, N.S.—LAY-OFF OF WORKERS AT HISTORIC SITE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister. It is a repeat of the question I asked on October 7 in respect of lay-offs at the Louisbourg project because of the lack of funds for the winter works program. We had assurance from the government that the only change in the winter works program was in that part of the program affecting the bonus for winter building of homes. At that time the Prime Minister assured me that they would do their best to see that these lay-offs did not happen. There have been lay-offs at the Louisbourg project, and I should like to ask the Prime Minister to take a very serious and fast look at this project to see that those who have been laid off will be reinstated.

Mr. Speaker: Order, please. These are not questions; they are representations made by the hon. member, and I assume they will be taken into consideration by the Prime Minister.

Mr. MacInnis (Cape Breton South): I have a supplementary question, Mr. Speaker. Will the Prime Minister look into the problem immediately and have it rectified.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker.

FISHERIES

INQUIRY AS TO DISCUSSIONS RESPECTING GEOGRAPHICAL CO-ORDINATES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Fridays's Halifax *Chronicle-Herald* contained a statement by a leader of the British fishing industry, who also has important holdings in Nova Scotia, that unless action is taken soon on the implementation of the 12 mile limit, over-fishing could kill the Canadian fishing industry. Could the minister give any indication when the geographical co-ordinates will be established so that proper base lines for territorial and fishing zones may be drawn in accordance with the provisions of Bill S-17 as passed by parliament in 1964?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, before answering the question, I should like to call the attention of the house to the fact that we have a distinguished visitor in the gallery today, Mr. Louis Joxe, one of the most important ministers of the French government.

[*English*]

Mr. Speaker, I am grateful that this question has been asked. We are now discussing this particular matter with a delegation from the government of the United States. I am sure the fact that this question has been asked will impress on this delegation the great concern which the Minister of Fisheries and I have for a satisfactory solution of this problem.

Inquiries of the Ministry

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST FOR ASSISTANCE TO FARMERS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the hon. Minister of Agriculture.

Has he received a letter from the Quebec minister of agriculture, Hon. Mr. Vincent requesting financial assistance for farmers in certain areas of the province of Quebec who are suffering considerable losses again this year due to unfavourable weather conditions?

Hon. J. J. Greene (Minister of Agriculture): Yes, Mr. Speaker.

[*English*]

HEALTH AND WELFARE

MEDICARE—REQUEST OF MEDICAL ASSOCIATION FOR AMENDMENT

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Has the minister received a brief from the Canadian Medical Association, and if so will the government consider amending clause 4, subclause (c) of Bill C-227 from 90 per cent to 30 per cent for purposes of interim coverage in accordance with the terms of the brief?

Mr. Speaker: Order. I am sure the hon. member is anticipating discussion of a bill which now is before the house, and which I am sure will be discussed later on this afternoon.

POST OFFICE DEPARTMENT

REPORTED INTENTION TO REMOVE ROYAL COAT OF ARMS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Prime Minister and has reference to a number of answers given to the house on Friday last by the Prime Minister to the effect that the royal coat of arms is to be removed from mail trucks, mail bags, and so on. Could the Prime Minister tell the house whether it is the intention of the government to remove the royal insignia from all government buildings, correspondence, publications, and even from the Speaker's chair?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. In view of the announced decision to remove the word "Royal" from "Royal Navy", has the Prime Minister looked up the record when a similar view was being expressed during the St. Laurent administration and it was decided that constitutionally under the British North America Act the change could not be made and accordingly no change was made at that time?

Mr. Pearson: Records are always very interesting, Mr. Speaker, and I will be glad to look up this one.

Mr. Diefenbaker: I wish you would.

Mr. MacDonald (Prince): A supplementary question, Mr. Speaker. Since the Prime Minister tells us that it is not the intention of the government at the present time to take such action, could he tell us when the decision was taken to take such action with regard to the Post Office?

Mr. Pearson: To remove misunderstanding in this matter, Mr. Speaker, the Postmaster General will be in a position to make a short statement in a day or two which will remove some of the misunderstandings that have been created.

Mr. Diefenbaker: There is no misunderstanding at all. It is very wrong.

HOUSE OF COMMONS

EVIDENCE BEFORE COMMITTEES BY SERVING OFFICERS AND DEPARTMENTAL OFFICIALS

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. Can the right hon. gentleman advise us, in view of the large number of committees which are sitting and so that members may estimate the value of evidence given, if he subscribes to the view of the Minister of National Defence that serving officers and departmental officials can only appear before such committees with the consent of the minister, and evidence given by such witnesses must conform to departmental policy irrespective of what the facts may be?

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

Inquiries of the Ministry

NATIONAL DEFENCE

CONSIDERATION OF DELAY IN IMPLEMENTATION OF INTEGRATION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can the minister say whether today's news reports are accurate to the effect that the government is giving consideration to delaying the implementation of the integration of the armed services until there has been a further review of this question?

Mr. Speaker: Order, please. The hon. member knows that it is not in order to ask whether press communications or views are correct or incorrect.

Hon. Paul Hellyer (Minister of National Defence): The answer is no, Mr. Speaker, there will be no delay.

Mr. Speaker: Order, please. The question is out of order and cannot be answered.

IMMIGRATION

SEDGWICK REPORTS—REQUEST FOR REFERENCE TO JOINT COMMITTEE

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Since the government proposes to refer the white paper on immigration to a special joint committee for study, would the government also consider referring at the same time the two reports on immigration recently made to the government by Mr. Joseph Sedgwick, Q.C., for study?

Hon. Jean Marchand (Minister of Manpower and Immigration): I will take this point under consideration, Mr. Speaker.

AGRICULTURE

MILK—REQUEST FOR SPEEDIER SUBSIDY PAYMENTS

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture. Might I say that it was a pleasure to have the minister visit our county last week.

Some hon. Members: Hear, hear.

Mr. McKinley: My question is this. Many dairy farmers are wondering whether any progress is being made to speed up subsidy payments to them and what kind of guide they might be given as to when they might anticipate receiving their cheques?

[Mr. Pearson.]

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I know the hon. member will be pleased to hear that approximately 290,000 cheques have now gone out, totalling nearly $27 million. These cheques have gone out directly to the farmers. In regard to those areas where there has been a slow reporting by the factories, the stabilization board is sending its officers to the areas to deal directly with the factories to try to get the returns in as soon as possible in order that they may speed up the procedure in the very small percentage of areas where returns have not yet been made.

Mr. McKinley: Mr. Speaker, could the minister give us some kind of guide that the farmers could go on as to when they might receive their cheques?

Mr. Speaker: Order, please. I do not think the second question is in order.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR RECONSIDERATION OF GOVERNMENT POSITION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister. It is a question that I thought one of my Conservative colleagues from Manitoba might ask, but as a Manitoba member perhaps I could put it to the Prime Minister. In view of Premier Roblin's declaration that the government of Manitoba is ready and anxious to proceed with medicare on July 1, 1967, will the government review its position in this matter?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is very similar to one that was asked earlier today. It is argumentative, and refers to a debate on a bill which is before the house at the present time.

Mr. Knowles: Then may I ask the Prime Minister whether he will take part in the debate and answer the question then?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it seems to me that the best way to proceed with medicare at the moment is to get second reading of the bill and go into committee where the necessary amendments can be made, to ensure that it will be brought into effect as quickly as possible.

Some hon. Members: Hear, hear.

Mr. Starr: Talk of hypocrisy.

Mr. Knowles: Wouldn't the best way for it to be brought into effect as quickly as possible be to leave the bill as it is?

Mr. Speaker: Order, please. The question is argumentative.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed, from Friday, October 14, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I am happy to take part in the debate on medicare. I think it can be said at the outset that every member of parliament, wherever he sits in the house, is in favour of a national health insurance scheme. As a Liberal member pointed out, it is only as to the kind of program we are to get or to have forced upon us that members of the house may differ.

• (3:30 p.m.)

It might be well at this time to review the definition of the words "compulsory" and "universal" when applied to a national health scheme. "Universal" means applicable to all, and "compulsory" means tending to compel, a compulsory obligation. It can therefore be said at the outset that the universal, compulsory medicare plan of this federal government is, under the bill which is now before us, a plan forced on all the ten provinces. Of course we have heard the Prime Minister say that amendments may be introduced between second and third reading. We do not know what amendments the government has in mind, but we may be sure that this plan will be enforced in all the provinces.

At the time of the grandiose medicare conference at Ottawa just before or after the election, when the provincial premiers of health met with the federal authorities, it became known at that time that Alberta did not wish to support a universal compulsory plan. The former lady minister of health said at that time, as reported in the press, that either the province will accept the national plan or if they do not they will be taxed for it anyway. That will really be the result of a universal, compulsory national health plan. Even if a province does not agree to it, the people of that province will still be taxed for it if a sufficient number of provinces accept the plan. Therefore it does seem to me that, in spite of the urging of the hon. member for Winnipeg North Centre (Mr. Knowles), the first step that should have been taken was to have a meeting of the provinces whereby agreement could have been reached among them before presenting a universal plan.

This question arises: Will all the provinces succumb to this force, this duress, this compulsion? I suggest, and I think most hon. members will agree, that this sort of enforcement is a violation of the constitutional rights of the provinces because implementation of medicare is, under our constitution, under the jurisdiction of the provinces. The government is saying they will not implement the plan for two years. As I see it, the most important problem facing the government today is the high cost of living. Yet parliament is debating a plan which the government says will not be implemented for another two years, and I even question that because it is uncertain whether the provinces will agree to this plan. It seems to me that it is superfluous for us to debate the medicare plan at the present time. All we can do is to express our viewpoints on the bill which has been brought before the house even though the plan will not be implemented for at least two years.

Will this government allow some of the provinces to opt out of the plan? Will Quebec opt out of it, and will the federal government force other provinces to subscribe to it either directly or indirectly by saying to them: We now have a majority who agree to this plan? The government may say to a smaller province such as Alberta: Take it and like it. That would be a way of forcing a province through compulsion, through duress and through financial measures, to subscribe to the plan.

When the hon. member for Winnipeg North Centre said the other day that he speaks for all Canadians and he cries and mourns for all Canadians because the medicare plan is being delayed for one year—of course it may be longer because in 1968 there may be a recession and not an inflation and that may be a reason for further delay—what Canadians was he speaking for? I know a number of Canadians in my own area who would not go

along with what the hon. member for Winnipeg North Centre said, and yet he says he speaks and mourns for all Canadians.

What about the union members? There is a large number of union members, not only in my own province but throughout the country, who have their own medical plans. Do they want to substitute a plan that would cost them twice as much? I recall asking the Prime Minister over two years ago what the plan would cost. He said, and it is on record in *Hansard*, that the cost had not yet been ascertained. The first thing that has to be determined is what the plan will cost the taxpayer and the nation. I want to make myself clear. We are all in favour of some national health scheme but today we are talking about a universal, compulsory scheme. I would think that union members would not be in favour of such a plan.

What about people covered by M.S.I. or other similar plans in other provinces? M.S.I. is the plan used in the province of Alberta, but there are many other plans which cover thousands of office workers in the Canadian commercial world. Can these people afford more taxes? Can they afford more deductions? Does the hon. member for Winnipeg North Centre say he speaks for all these people? Let him go and ask them and he will receive a different answer from the one he suggested in the House of Commons.

What about the farmers? Does the hon. member speak for the farmers of western Canada where the cost of living has outstripped productivity even though this year the wheat crop has been one of the greatest in history? Can the farmer pay more taxes? Can he afford more deductions? Does the hon. member for Winnipeg North Centre speak for the farmers of western Canada? Let him go and talk to those farmers. I suggest to him that when he says he speaks for all Canadians and when he blames the Minister of National Health and Welfare (Mr. MacEachen) and the Minister of Finance (Mr. Sharp), he may be speaking for a small group of Canadians who need such a national plan, for those in need, for the disabled, the senior citizens and the blind, but we have to look at the other side of the coin. What about the people under M.S.I., the office workers? What about the farmers who have their own plan and what about the union members? What is the percentage of Canadians now covered by their own plans? I question the hon. member's statement when he says he speaks for all Canadians.

[Mr. Woolliams.]

Is the hon. member speaking for those Canadians who refuse to take their responsibility in society, such as men who have deserted their wives and families, who are then reduced to living on social welfare because, as we in this house know it is difficult to force a man to accept the responsibility of maintaining his wife and family when he deserts them? I have tried to get some figures from the Dominion Bureau of Statistics to find out how many such people there are in Canada. Apparently there are from 100,000 to 200,000 such families. If the hon. member is speaking for those irresponsible people, then I might go along with him. He may speak for a group of men and women who wish to shift their responsibility to other Canadians but I suggest he is not speaking for all Canadians.

We all believe in the need for a medicare plan. I certainly believe in the need for a plan that will assist senior citizens, women, children, the neglected, the disabled and the blind, but I am not in favour of a universal, compulsory plan like the Canada Pension Plan under which both the poor and the wealthy have to pay the same amount. Can people earning $600 a year or a little more contribute to the Canada Pension Plan? The suggestion is that they can.

Now we come to the question of how much this plan will cost. We have not heard much about that. We are told the plan will cost the taxpayers of this country $600 million to $800 million per year. We all know that when medicare was started in Great Britain a certain sum of money was provided for it but before the plan was implemented the cost had doubled. Should such an expensive outlay be made in Canada at a time of inflationary crisis? Should such a plan be made universal and be enforced on people whose heads are just above water, speaking figuratively? Those people living in the provinces where inflation is not in progress do not in my opinion accept the views of the economic experts of this nation and other nations.

• (3:40 p.m.)

Let us take a look at the real cost. If the 200 recommendations of the Hall report were immediately implemented, then by 1971, less than five years hence, the cost of this plan to the nation would be $4.4 billion, which is half the Canadian budget today and the budget for 1956. I want to repeat that. The total cost of the 200 recommendations suggested by the Hall report would be $4.4 billion by 1971 or

half the Canadian budget. Farmers are concerned about this. Office workers are concerned about it. Labour is concerned about it. These people cannot afford any more income taxes or deductions from their pay cheques or their profits.

When the hon. lady was Minister of National Health and Welfare, she discussed this plan and said that it must be realized the implementation of the recommendations of the Hall report would involve—listen to this —substantial expenditures from the provincial and federal treasuries. According to news reports the leader of the New Democratic Party said in a speech in the Pincher Creek by-election that increases in wages do not increase the cost of living and that the introduction of grandiose plans does not do so. Economists do not agree with him.

I believe it is time we put on the record what businessmen are thinking today and what our leading economists say in relation to what governments are doing not only in this nation but in other nations. We know that today Great Britain is in a mess. We have seen Prime Minister Wilson forced to change his plans to implement things in Great Britain because the grandiose plans they have implemented have forced him to bring in severe controls and go back on what he said to labour.

Here is what economists are saying, and it is time this was read to the New Democratic Party, whose members are really the socialist conscience of this nation.

Mr. Brewin: Did you say "the conscience"?

Mr. Woolliams: That is right; you are the socialists of this nation.

Mr. Brewin: I thought you said the conscience.

Mr. Woolliams: From your conscience flows your socialism; I think you would agree with that. I should like to quote from *Barron's* National Business and Financial Weekly for August 8, 1966:

> Old and new, all such techniques are designed to divert public attention from the real villain of the peace, the inflationary fiscal and credit policies which government continues to pursue. On this score Dr. Arthur F. Burns, a rare scholar who values truth above party preference, plainly deserves the last word. "In all countries and throughout the ages," the economist recently told the House of Representatives, "it has been common practice of governments, when prices rose materially, to point the finger of blame at tradesmen or at industrialists or, in recent times, at trade union leaders as well, and to call them irresponsible and greedy. In a time of war still another epithet is frequently hurled at private groups; they are then described as unpatriotic. Very rarely does any government have the courage to blame its own management of finances or its own failure to keep a tight rein on the money supply.

This applies to all governments, not only the Liberal government today. This is what one of the leading economists had to say. I am sure he would agree that increases in wages, and they are necessary when you have an inflationary trend, increases in profits and grandiose schemes that cost large amounts, are inflationary and will continue to aggravate the inflationary crisis in this country. I say that when you hear someone crying about the people of Canada someone has got to speak up for that class of people in this country which comprises the majority, those who contribute to the productivity of this nation. They are the taxpayers. Productivity can only continue to grow at a rate of 6 per cent or 8 per cent, as it has since 1961-62, if these people have enough money for capital purposes in their businesses.

We must have in parliament—I hope I fit into this category—men representing the people of Canada who will speak for those people who produce the gross national product and who pay the bill for this nation. I am not suggesting they should have the total say. However, I am suggesting to the New Democratic Party it is time they had a say. They pay the bill and they produce the gross national product of this country.

How dishonest can we get when we as members of parliament, either in the house or outside, say that increases in wages or increases in profits or increases in plans do not increase the cost of living?

Mr. Douglas: Who said that?

Mr. Woolliams: I say this to the hon. member, with the greatest respect, that although he may have been misquoted I read in the newspaper that he had said that increases in wages in this country do not contribute to the increase in the cost of living. This was a report of a speech he made in Alberta recently. If he denies that, I will accept his denial.

Mr. Douglas: The statement I made was that the reason for the increased cost of living was not the increase in wages because wages had not kept pace with increased productivity.

Mr. Woolliams: Well, I am quite willing to accept the statement that the leader of the New Democratic Party makes in that regard.

I can only say that the newspaperman on that occasion in Pincher Creek misunderstood what he was saying. Nevertheless, increases in wages, increases in profits, increases in plans that lead to higher taxes, aggravate the inflationary trend. When you get increases in wages, up go the costs the consumer has to pay and away go the increases in wages because these people have to pay more for their goods. It become a vicious circle. These high profits, high taxes, high wages and government spending for grandiose socialistic plans all increase the cost of living. I do not think anyone can deny that. This country is crying for the kind of leadership that will categorize the peoples' needs by a priority formula.

What should come now? What should we be doing? We cannot be criticial, Mr. Speaker, unless we have an alternative. I suggest that instead of introducing plans we are not going to implement for two years—this plan is universal as it stands now—we must financially assist the provinces and municipalities to escalate and accelerate educational opportunities. We will need more doctors, nurses and technicians before a universal medical plan can be implemented. Schools, colleges and universities must be built now and masses of people given an equal opportunity for an education so that they will be more productive economically and socially. Above all, we should be assisting the individual in the state to assume more of his own responsibilities instead of becoming a burden on the state, as is the case when there are a number of unemployables. We should lower the percentage of the needy through education.

Let us take a look at things from the point of view of local governments and municipalities. The leader of the New Democratic Party should know something about this because he was the premier of a province. Since 1959 local governments' costs of education in Canada has increased from $548 million to $797 million. However, this has not even scratched the surface of the need and demand for higher education in Canada. In so far as the age group from 10 to 14 years are concerned, educational opportunities are almost equal for 97 per cent of this group. In secondary schools opportunities among the age group from 15 to 19 years are not equal. Retention of students who remain at high school varies from province to province, for example, from a high 68 per cent in British Columbia, with Alberta and Saskatchewan coming a close second, to a low of 50 per cent in the province of Quebec. That means that 50 per cent of the people in the province of Quebec who finish grade eight drop out of school. It also means that 30 per cent of the students in British Columbia drop out and about 34 per cent in Saskatchewan and Alberta.

• (3:50 p.m.)

We are all aware that I.Q. determines retention in school to a certain extent, but lack of educational opportunity is the greatest cause of the drop-out. Let us take a look at the position in universities. In the age group 20 to 24 opportunities are not equal at universities, ranging from a high in British Columbia of 9.5 per cent to a low of 3.9 per cent in Newfoundland. With a Canadian average of 8 per cent this means that only 8 out of 100 people go to university. The minister does not have to take the blame for this, of course; I am pointing out that only 8 people out of 100 who are poured into productivity in Canada have a university education.

On top of that there is a big brain drain to the United States. I suggest that these statistics are important because I believe that education should have higher priority than the implementation of the bill now before the house. The average Canadian child receives approximately 8.2 years of schooling. The latest figures on this point are those of the last census in Canada; they may be higher now but not much. The provinces are spending from a high in Alberta of $417 per student to a low of $140 in Newfoundland.

In 1961, Mr. Speaker, Canada devoted a greater proportion of her total gross national product to health services than any other nation surveyed by the Hall commission—this in spite of what some of my hon. friends say on platforms at times—except Australia, in terms of the percentage of the gross national product spent on health. For example, Canada spent 5.8 per cent of its gross national product on health, England spent 4.7 per cent, Israel 5.1 per cent, Sweden, which has been held out as an example, 4.7 per cent and the United States 5.5 per cent. These figures were checked today.

Canada ranks favourably in terms of population per hospital bed compared with other countries, and our government can take some responsibility for that. In 1959, of 20 western countries Switzerland had the lowest ratio with 80 persons per hospital bed, followed by Canada, Australia, New Zealand and Sweden with population ratios of 90 persons per bed.

The United States, the United Kingdom, Denmark and Norway had 110 persons per bed, and the Netherlands 130 persons per bed.

Canada's ratio of population per physician is 920, ahead of the ratios for countries that have compulsory medicare such as France where the ratio is 950 and the United Kingdom and Sweden. How long will that state of affairs last? Will there be a big brain drain of our doctors and specialists, who are among the finest in the world, to the United States if we bring in a universal, compulsory medicare plan?

The Canadian crude general mortality rate of 8.0 deaths per 1,000 of population is better than the United States where the rate is 9.4 per thousand, or England and Wales with 11.6 or Denmark with 9.3. Canada's record in regard to infant mortality is not as good as that in other countries.

Any increased health benefits to Canadians will come primarily from increasing the numbers of personnel. This demands programs to expand educational and training facilities. I say to the government that when the cabinet is considering these matters they should decide that education should have priority over this type of legislation, because it is as a result of education that we will increase the productivity of the nation and the individual's ability to assume some of the responsibility for the welfare of the country, instead of it becoming a burden on the taxpayer.

In saying that, Mr. Speaker, let me repeat what I said at the beginning. I, and I am sure most of us, believe in some plan to deal with this problem. The Royal Commission stated at page 14, volume 1:

> The first requirement is sufficient trained personnel. This demands crash programs to expand the educational and training facilities.

What crash programs has the government instituted to date? None. There has been nothing since the introduction of the vocational training plan at the time we formed the government.

Rather at variance with that statement, at page 295 of volume 1 of the report the Royal Commission on health services stated:

> . . . that in proceeding with a comprehensive program for health services a country does not have to wait until shortages of health personnel have been fully met.

I suppose those two statements are not completely contradictory and that what that means is that the shortage has been partially met. But we must have a crash program on education first in order to get the trained, skilled personnel to cope with the implementation of this plan and, second, the trained individuals who can take on more responsibility and increase the productivity of the nation.

Also difficult to understand, Mr. Speaker, is this statement of the Royal Commission on health services at page 10, volume 1 of its report:

> However large this group may be—

That is the insured group.

> —it is not large enough.

I suppose by that they are referring to the percentage of persons left out of plans. I suggest that the government take a look at this aspect because those people are in need of some plan. But why put the taxpayer, Mr. Speaker, to a cost of $600 to $800 million a year, or $4.4 billion by 1971, in order to provide a plan for people who already have a good plan? This is the point of my argument in analysing this bill at this time, which will not become law, even if the government keeps its promise, until two years have elapsed. It is indeed doubtful that any additional expenditure in the nature of compulsory health insurance will improve either the health standards of the Canadian people or increase their prosperity and productivity.

On page 135 of the second annual review of the Economic Council of Canada there is this statement:

> We are not at all certain as to what further net stimulus either to national or regionally balanced growth might accrue from increased public investment in health services.

At page 90 there is the following statement:

> It has been estimated that the returns on the human investment in high school and university education in Canada are in the range of 15 per cent to 20 per cent per year.

Again, at page 91 of the Council's report it is stated:

> The over-all rates of return to the economy for total investment in education would be relatively high—perhaps in the range of 10 per cent—15 per cent—suggesting that relatively greater emphasis should be placed in facilitating expanding investment in education—

I suggest to the government that this should receive priority. Why does the government now waste the time of parliament on a plan that it does not intend to implement for two years, and at a time when there is the highest cost of living in my generation? The government will not measure up to its

responsibility. Let it go to the electorate—although I do not mean that we should have another election—and find out what the people think of a government which allows a continual escalation in the cost of living and then suggests that it will bring in grandiose plans such as the Canada Pension Plan.

Education, I repeat, should receive priority and should come first. We must educate more doctors, nurses and technicians, but above all everyone must be educated to a higher level than an average of 8.2 years of schooling so that their productivity, at least in 75 per cent of the cases, will be such that they will rise above what we classify as the level of need. At the same time this 75 per cent of the population will be able to carry the burden for the other 25 per cent. Only through increasing productivity can we derive taxes to pay for these types of plans. The Utopia, of course, would be to have only 2 per cent in need, but that is more a dream than a reality.

• (4:00 p.m.)

The hon. member for Winnipeg North Centre said that he spoke for all Canadians. I am not saying that this constitutes real evidence that a medicare plan was forced on the people of Saskatchewan, but I would remind the leader of the New Democratic Party—in fact, I think he would make this admission—that had he remained leader of his party in Saskatchewan and not brought in compulsory medicare the N.D.P. would still be in office in that province today. I see the hon. member smiling. I have to compliment him because, though I have been a Conservative all my life, I felt that the hon. member provided a better administration on the whole than did the Gardiner machine.

I wish to refer to page 13 of a book by Mr. Robert Tyre, and I put this on record because it has reference to the hon. member for Burnaby-Coquitlam, formerly premier of Saskatchewan. It is interesting to note what is said about universal, compulsory plans. I quote:

> Citizens who had not forgotten those fine promises of 1944 would find something tragically ironic in a news story that appeared in the Regina *Leader Post* of January 6, 1962. The story reported that a 76-year-old Regina man had collapsed and died in city police court while facing trial. The man had been charged with failing to pay his hospitalization tax in 1956. And it was the government of Saskatchewan that brought him to trial—a government that won election on a promise to provide the people of Saskatchewan with free health services.

[Mr. Woolliams.]

That little story, though it may be on the fringe of what may happen under a compulsory plan, may show us one thing. It may show us what a universal compulsory plan may mean to the lives of all Canadians and to people who accept some individual responsibility. When the unions have their own plans, when the office workers have their own plans and when the farmers have their own plan, what we should be doing is helping those people who have no plan at all.

Mr. D. R. Tolmie (Welland): Mr. Speaker, I was very impressed with the manner in which the Minister of National Health and Welfare (Mr. MacEachen) introduced one of the most historic and far reaching pieces of legislation ever to be presented to parliament. The minister would have been forgiven if he had, with oratorical fire and fervour, dramatically ushered in this bill which has finally arrived after years of turmoil, delay and debate. Instead, in a very succinct, nonpartisan way he has launched this tremendous bill which will affect the future welfare of millions of Canadians and many generations yet unborn. I hope that further debate will be of the same calibre and that hon. members, devoid of partisan politics, will express their views forcibly but with reason and restraint.

Personally I have always supported the concept of a national medical scheme, because I feel it is simply a recognition that all of us have a collective responsibility for the hurts of others. It is as simple as that. I know many people argue that most people are already covered by medical insurance, that this measure is another unwarranted intrusion by government into private lives, that it is another example of creeping socialism which is undermining the individual's desire and ability to fend for himself and look after his own needs. I can fully appreciate the honesty and good faith with which this argument is advanced, but I feel most strongly that in a nation with our vast riches and resources every man, woman, and child as of right, regardless of income, is entitled to the best possible medical attention that science and research can provide.

On humanitarian grounds alone medicare is justified. I firmly believe that each of us is our brother's keeper and our brother's brother. By furnishing good universal medical care and relieving human agony and suffering, the government is carrying out the noblest Christian precept.

From a strictly economic standpoint medicare is certainly most desirable. It is argued that the majority of people do get good medical attention but, as the Hall Commission indicated in its report, there are still millions of Canadians living in genteel poverty who are unable to afford medical bills or medical insurance and consequently are not receiving the medical attention they deserve. Thus, although it would be impossible to guess with any certainty the amount of productive labour lost through sickness as a result of the lack of early preventive medical attention, it is well known that there is a staggering loss to our economy when incipient disease lies undetected or worsens because the individual through fear of medical expenses denies himself the advantage of prompt and thorough medical care. Simply stated, from an economic standpoint alone the health of our nation is the most precious of all our resources bar none, and a comprehensive, universal medicare scheme is the best way to husband and improve this basic ingredient of our national welfare. We must recognize the principle that, while an individual's health is a highly personal affair, in many respects his or her good health is of direct benefit to the entire nation.

I do not intend to delve into the details of the plan, but it must be constantly remembered that under our constitution health is a provincial responsibility and therefore federal initiaitve in this field is limited to encouraging provincial action. The federal proposal of offering the provinces money to support provincial medical care insurance programs which meet certain established standards is a sound one and the wisdom of this principle is amply demonstrated in the tremendous success of the provincial hospital schemes. There is nothing to suggest that a comparable plan for medical insurance will not work equally well. The four conditions to be met by the provinces are that their plans must be comprehensive, universal, government run or supervised, and transferable. All these criteria, as set out in the Hall report, are necessary if we as a nation are to achieve our objective of providing the best medical care to the greatest number at the lowest cost.

It is clearly recognized that any such gigantic scheme, with its long and tortuous history, will be beset with many serious problems. To make this scheme work with maximum efficiency we must accelerate most drastically our plans to provide more facilities for medical research, teaching hospitals, and an ever-increasing number of doctors without which the plan is grandiose in name but stultified in reaching its true achievements. A veritable crash program with these goals must be initiated immediately. To ensure the success of our national plan the provinces which have evinced a reluctance to participate must again be approached and negotiations continued until we have obtained their acceptance.

To make this plan a living and workable reality the most important consideration should be the role of the doctor. The medical profession, rightly concerned about its integrity and independence, must be treated with tact and delicacy, and its professional status and relationship to patients must be most clearly enunciated. It must be categorically stressed that no matter what system of financing is used there will be no interference with or compulsion in regard to the basic relationship between patient and doctor. Individuals will remain free to choose their own doctors; they will be under no compulsion to use any particular services, and an individual doctor will be free to operate outside the plan if in his judgment he can do so successfully.

In regard to the time for implementing the plan much has been said, and I do not want to burden the house with many further observations. As a staunch advocate of medicare I was disappointed when the government in its wisdom decided to delay the plan for one year, and I made representations opposing this decision. However, the government, responsible for the national interest, decided with reluctance after the most searching debate that in view of present economic conditions a postponement was necessary. Most certainly it was a difficult decision, and as a member of the Liberal party I am prepared to support the government position.

• (4:10 p.m.)

At this time I make one plea. As a new member I have been appalled at times by the prevalance of partisan debate which has too often been indulged in for political advancement at the expense of the national interest. Repetitious, irrelevant debate has crept into our proceedings many times to poison clear thought and distort the issues.

Shining through all the smoke of this debate is one salient point. We now have before us a medicare bill which many members have pleaded for, and worked for, for years. It is the privilege and duty of those who oppose it

on its merits to speak up clearly and forcibly. It is also the privilege and duty of those who support it, but have objections to its postponement, to use restraint and reason in their attack.

A spokesman for the New Democratic Party said that all members of that group would be taking part in the debate. I suggest that their position could be well stated by a small number of chosen advocates, thus saving a considerable amount of valuable parliamentary time for other priority legislation such as the announced government plan to provide a minimum monthly guaranteed income of $105 for our needy senior citizens. If members of the N.D.P. are sincere in wishing medicare to pass quickly and easily, the present debate would be a splendid opportunity for registering objections to the postponement of its application as concisely as possible while enthusiastically supporting the measure in principle and giving the government its proper credit for introducing one of the most progressive pieces of social reform ever to brighten this house.

Mr. Andrew Brewin (Greenwood): Mr Speaker, I gladly use my first words to give the government the credit which is its due for bringing in legislation which in my view has more importance for my constituents and for the people of Canada generally than any legislation that has come before the house in the few years during which I have been here. If I have a few slightly critical, even conceivably, partisan words to say at the end of my remarks, I hope the hon. member will forgive me for allowing a partisan note to creep into my observations.

It has always seemed to me to be plain common sense that the right to health services to minimize the ills the flesh is heir to, is a universal right. It is the mark of a civilized community to provide these scientific and healing services to all through the provision of what we now call medicare. I recall that our sister dominion of New Zealand pioneered in this field in the '30's. Many European countries have for decades regarded the provision of medicare as one of the basic functions of government. In Britain the Labour party provided for universal medicare services in the '40's in the midst—I call this to the attention of the house—of daunting economic problems caused by the second world war.

I have always been proud to be a member of the party which, when it formed the government in Saskatchewan, was the first

government in North America to provide universal and comprehensive medicare service. This was done in the face of highly organized opposition and perhaps, as the hon. member for Bow River (Mr. Woolliams) suggested, to their immediate political disadvantage. If it was to their political disadvantage at that time, all the more credit to them that they had the gumption to bring it in.

I subscribe to the words in the preamble to the charter of the World Health Organization:

> The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition.

I subscribe also to the words of the Hall Royal Commission on Health Services:

> The commission is convinced that quite apart from humanitarian considerations the health of Canadians is a matter of concern to us as a nation, and no enlightened government can ignore that the economic capacity of its citizens to be productive depends upon their health and vigour as much as upon their educational attainment.

I consider this to be relevant when we come to consider the postponement of this plan for so-called economic reasons.

Then there is the statement of Sir Arthur Newsholme which the commission accepted:

> Civilized communities have arrived at two conclusions from which there will be no retreat, though their full realization in experience has nowhere been completely achieved.
>
> In the first place, the health of every individual is a social concern and responsibility, and secondly as following from this, medical care in its widest sense for every individual is an essential condition of maximum efficiency and happiness in a civilized community.

I accept the recommendations of the Hall commission that these objectives of national policy can only be achieved through a comprehensive universal health services program for the Canadian people financed through prepayment arrangements. Such a plan must be comprehensive and universal and, in accordance with our constitutional situation, it must be provincially administered, though it would be financed, as the present legislation proposes, in substantial part by federal grants. I accept furthermore the sense of urgency which impelled the commission to call for a federal-provincial health services conference within six months of the publication of the report in 1964, and for prompt action thereafter.

Fortunately there is no need for us to be unduly concerned about the details of what appropriate action is needed or whether the Canadian economy is able to bear the burden

of bringing into effect the recommendations for the implementation of a health charter for Canadians. This has all been reviewed in detail by the distinguished commissioners, headed by the then Chief Justice Hall. It seems to me we are not now talking about a bold, new experiment but about action required before Canada's 100th birthday to catch up with other countries in meeting a vital social responsibility.

All these general conclusions have been reinforced powerfully in my mind by contact with my own constituents in Greenwood since I have been their representative in parliament. I have made no scientific or detailed survey of need but I have run into case after case—no doubt this has been the experience of others in this chamber—where the absence of such a plan has caused personal tragedy. I have met people whose life savings have melted away because of tremendous unanticipated expenses occasioned by illness.

I know people who, because of the illness of some member of their family, have had to "moonlight" and work 15 or 16 hours a day to make enough money to pay their bills. We all know something of the anxiety which is inevitably caused by illness. This anxiety is tremendously increased by financial worry. To the extent that we implement this bill we shall be lifting a great burden of care from the shoulders of the people of Canada.

• (4:20 p.m.)

I deeply regret that the government has seen fit to postpone the date on which its offer to the provinces to implement the legislation was to become effective, because I believe that this delay will strike at public confidence, if any remains, in the good faith of political parties. I believe that the postponement was totally unnecessary. The excuses for the delay are without substance and every possible pressure ought to be put on the government to reconsider its decision.

The decision seems to me, Mr. Speaker, not to be based on any economic necessity caused by inflation but to be caused by effective lobbies and a lack of conviction on the part of some of those dominant in the present government. The sad part of the postponement is that it may not just be a postponement, because it encourages all those opposed to this basic and beneficial plan to concentrate their fire on further whittling away and watering down the plan during the postponement period.

It encourages every provincial government that seeks to alter the plan to bring in a partial and inadequate plan and to get such a plan established and occupying the field. Therefore the decision postpones the effective date not just for one year but very probably for a good deal longer, and no amount of lip service to the desirability of bringing this plan into effect as soon as possible will be able to eradicate the conviction many people will feel that they have been betrayed by this postponement decision.

I was afraid, Mr. Speaker, that I might take a slightly partisan view on this matter, so in my remarks I have confined myself to quotations from a well known Liberal newspaper, the Toronto *Star*, which certainly used to be favourable to the Liberal party, and I want to review briefly the recent history of this question of the bringing into effect of medicare.

On March 6, 1965, Mr. Peter Newman, whose means of knowledge of what goes on within the cabinet are unknown to me, wrote a very prophetic article. He wrote that massive pressure was building up within the Liberal party for a general election in June with medicare as the central issue of the campaign. He added that there was a strong lobby inside the cabinet opposed to the idea. I do not know whether he meant opposed to the idea of medicare or to the idea of an election. This plan to hold an early election on the central issue of medicare was, he said, based upon the view that a strong Liberal stand for medicare would cut the policy ground from under the N.D.P. in the campaign and presumably garner a great many Progressive votes.

On May 27, 1965, the Toronto *Star* reported the hon. member for Hamilton East (Mr. Munro), who was then parliamentary secretary to the previous minister of national health and welfare, as saying:

> The Pearson government is bracing itself to fulfil its election promise of a comprehensive medical insurance plan within the life of the present parliament.

It appears recently to have become unbraced, Mr. Speaker.

On June 15, 1965, the *Star* revealed that after six months of study 24 Liberal caucus members had issued a unanimous report in a three page document—and I ask the house to note these words—which urged an immediate start on a national medicare program. In June of 1965 the Prime Minister announced

to a dominion-provincial conference that the government would in fact contribute to a nation-wide medical insurance plan.

In September of that year Mr. Norman Phillipps, a top-flight reporter, now unhappily deceased, had an article in the *Star* under a banner headline which read, "Medicare By '67 Appears Almost Certain." Also in September we had the announcement of the election, and on October 13 the then minister of national health and welfare, when she opened her campaign, announced in clear, positive and no doubt ringing tones—I was not there, Mr. Speaker—that the date for coming into effect of the government's medicare plan would be July 1, 1967.

On November 1 the same minister, who presumably spoke for the government on this matter at that time, speaking in French, English and Italian at Montreal, pledged the Liberal party to the introduction of medicare. "This government," she said, "will lay aside the fear all have of crippling expenses for medical care."

Perhaps most significant of all was the statement made by the Prime Minister in Hamilton during the campaign:

> In 1963 I promised a Liberal government, as the economy expanded towards full employment, would take steps to provide Canadians with medicare .... Well, we have our expansion and we have placed our national medicare proposals before the provinces, and we have set a deadline of July 1st, 1967 to start the program, and we'll do it.

Perhaps I cannot reproduce the eloquence of the Prime Minister on the hustings, but if words mean anything the meaning of this was a clear pledge by the Prime Minister, in a most dramatic way, that "this is the date, and we'll do it."

I ask you, Mr. Speaker, to note the difference between what I might call the Pearson doctrine on medicare and the Sharp doctrine. The Prime Minister said we could not have a medicare program in 1963 because we did not have full employment, because we had a recession, but as soon as it was over his government would introduce such a program. The Minister of Finance (Mr. Sharp) comes along later and says: we have expansion in 1966 and it may well be that we will have the danger of inflation; therefore because of expansion we must postpone medicare.

I suppose in 1968 we may have another recession and then the Pearson doctrine that we cannot do it in a recession will come in again, and with an expansion in 1969 the Sharp doctrine will come into effect, which will say we cannot do it then either. The people of Canada are somewhat in the position of Alice in Wonderland who, in Lewis Carroll's famous words, said, "Always jam tomorrow but never jam today." One of my colleagues says the Liberals are always in a jam. That is a pun I would not have perpetrated personally.

Private members on the Liberal side, encouraged by their leaders, made medicare by July 1, 1967 a central plank in their campaigns. I know that my own Liberal opponent, a distinguished gentleman named Martin O'Connell, I think very much in the confidence of his own party, campaigned on the basis that if his constituents wanted medicare and wanted it promptly then they must vote Liberal and vote for him and not for any other party. I do not know whether Mr. O'Connell, if elected, would have stood by his guns or caved in like some other members have done.

The hon. member for Hamilton West (Mr. Macaluso) is quoted as saying, and I do not doubt his sincerity:

> I discussed it (medicare) at every campaign meeting. I was elected to put it into effect. I'm committed to it.

The hon. member for Verdun (Mr. Mackasey), who I believe is chairman of the Liberal party caucus, is quoted as saying:

> It (medicare) was second only to national unity in my campaign. I am a great believer in medicare as Mr. Pearson outlined it last July—

Incidentally, with a target date of July 1, 1967.

> I won't tolerate any watering down.

Mr. Woolliams: Who said that?

Mr. Brewin: The hon. member for Verdun, the chairman of the Liberal party caucus. He said he was not going to tolerate any watering down, but there were other voices, influential voices, which even during the election campaign created doubt as to the determination of the Liberal party, and these voices have prevailed.

• (4:30 p.m.)

On November 5 last the present Minister of Finance is reported as having said that the shortage of doctors and nurses could delay the Liberal government's hope to introduce a national medicare plan by July 1, 1967. I quote his words:

> I don't know if we'll be able to reach that target. In any case, it is better to have a target date than a mere promise.

I suppose he meant that a mere promise which had been made repeatedly for 47 years lacked any electoral persuasive power, while a target date sounded a lot better and, after all, it would not be too difficult to find a pretext for changing the target date after the election.

The government spokesmen, after the election, continued to stick to what they themselves described as a pledge. In the *Star* of February 2, 1966 Mr. Michael Best wrote an article in which he said the Pearson government was brimming with confidence that its battle for national medicare in 1967 had been won and all that remained was a clean-up operation. We have had a clean-up, but it did not come from the right direction. This optimism was voiced, apparently, by the present Minister of National Health and Welfare (Mr. MacEachen) who said that most, if not all, of the provinces would be in on medicare when the plan started on July 1, 1967.

An hon. Member: That was before he became a "Sharpie" too.

Mr. Brewin: On April 1 the *Globe and Mail* produced a story headlined "Cabinet Reaffirms 1967 Start For medicare". The story led off with the statement, "Medicare Start By July 1, 1967 Ottawa Pledge". On May 17, 1966 the *Star* told us that a national medicare program to start on July 1, 1967 "appeared certain today with the announcement by health minister MacEachen that health services will start no matter how many provinces are in the program by that date." He is quoted as follows:

> There will be no retreat by Ottawa from either the July 1967 date or from the four basic conditions. The plan will commence on Canada's 100th birthday.

Those are the words of the present minister as recently as May 17. I say to the minister that I have a great deal of respect for him but I would have even more respect if, when his colleagues failed to live up to the pledge so clearly and so publicly made by him on their behalf, he had chosen to resign from the cabinet.

On May 18 of this year the Toronto *Star*, under the heading "National Medicare Proud Liberal Achievement", published an editorial in which it said:

> The Liberal government's conclusive commitment to introduce a national medicare program on July 1, 1967, whether all the provinces signed up or not, redeems the pledge that has been gathering dust for the past 47 years.

Then on July 7 the Prime Minister told this house that the government would bring forward a resolution and seek approval with the least possible delay. It was only after that that the medicare bill, against the protest of the members of this party, was held over until the end of the planned recess in October.

On August 2—you will realize I am using Liberal quotations throughout—a prominent Liberal, Eric Kierans, who apparently knew something not revealed to the public, is quoted in the *Star* as saying:

> National medicare plan may be delayed by up to four years because of indecisive federal leadership.

As late as August 3 the Prime Minister is quoted as saying that Ottawa would stand by its medicare plans. At that time he referred once again to the government's offer as being available to the provinces on July 1, 1967, although he said that that was not the deadline for provincial acceptance. Then on September 9 this year we find a headline in the *Star*, "Medicare Pigeonholed Again". It was neither the Prime Minister nor the Minister of National Health and Welfare but the Minister of Finance who made the announcement in this house.

The Toronto *Star* described this in language which, coming from a journalistic supporter of the Liberal administration, is stronger than I as an opponent would perhaps choose. Under the heading "Medicare Delay Is Outrageous Deceit" the Canadian Press report said:

> Canadian people have been deceived and disappointed in their expectation of health insurance by the party which began promising it in 1919. Federal medicare is to be postponed for a year on the excuse—and it is merely an excuse—that this is necessary to fight inflation. The one year postponement would be bad enough for the four million Canadians who have medical insurance coverage—the six million who have none at all. Who in view of the 47 year record of Liberal nonfulfilment of this promise, can have any confidence that the delay will only be for one year. This latest betrayal of medicare and of Health Minister Allan MacEachen, was accomplished in the manner of a Machiavellian intrigue.

Later in the article they say:

> Whether the Prime Minister was in on the scheme or not, it is clear that the conservative wing of the cabinet has succeeded, temporarily at least, in sacrificing medicare on the altar of sound finance.

A day or two later members of this house within the Liberal caucus met at Peterborough and, in view of what they said at the time, it really is quite unnecessary for me to

give my interpretation of the events leading up to postponement of medicare. This session, which the newspaper said was attended by 20 Liberal members of this house, indulged on Saturday night in what they call "a wholesale denunciation of the medicare postponement". They were very brave then. I hope they will recover their brave feelings later.

Mr. Thompson, the leader of the Liberal party in the province of Ontario, used words which I am going to adopt, although I do not always wish to adopt his words. Referring to the postponement he said:

> This is a moral issue. The Liberal party went to the people and said it would bring in medicare.

Another prominent Liberal did a very good job; he is the editor of *Liberal Action*. He expressed the view that many delegates found it hard to understand how the medicare postponement could be an anti-inflation move. If they did not understand it then, I wonder how they can understand it now? I do not see how they could ever understand it. He pointed out that most of the money needed to finance the medicare program was already being spent on medicare. The extra spending needed would not be required until after the problem of inflation had been solved. Of course that is true. How does it make sense to say they are going to postpone something which starts in July, 1967, because of a recession in October of 1966? Any neophyte in economics knows the situation may totally change in the meantime and that this is a very feeble and phony excuse. I entirely agree with the editor of *Liberal Action*. He goes on to say:

> The Liberals have been promising a national medicare program since 1919. The cheque the Liberals first wrote in 1919 has been bouncing ever since.

Mr. Speaker, it is still bouncing; it has not stopped bouncing in 1966. According to the *Star*, in discussing the same matter in Peterborough a Liberal member of parliament is said to have interpreted what happened as being unnecessary and irresponsible and a victory for the cabinet establishment which, according to this anonymous Liberal member, has long been opposed to this legislation. I do not know who the member is but I really think he had something. He went on to predict a growing rift between the members of the cabinet establishment and some members of the Liberal parliamentary wing which, he said, could lead to the destruction of the party. I do not know who this member was but I am sure the house would be interested to hear from him now in explanation of the views that he put forward in Peterborough at that time. In what I have said I have relied upon expressions of opinion from those who have either supported or who owe loyalty to the Liberal party. I am not in either of these categories, but I say that even now it is not too late, if people of good will and conviction have the gumption to stick to their convictions, to redeem the situation.

[Mr. Brewin.]

• (4:40 p.m.)

Canada ought to have its national medicare scheme in effect on its 100th birthday, July 1, 1967, as the Minister of National Health and Welfare so eloquently pointed out to this house not very many months ago. The supposed inflationary obstacle is a complete and utter phony. I urge those in the Liberal party, and there are many of them, who clearly were elected on the faith of the promises made by them in this regard, to show good faith, or even one or two of them to show good faith to those who relied on their promises. This would do something to dispel the cynicism with which we are regarded when these pledges, made so unequivocally, are brushed aside for reasons which are so phony. If only a few of the Liberals who had this conviction, and I believe many of them had it, would stick to their conviction with determination, despite all that has happened, Canada could have this enlightened, this necessary, this urgent legislation in effect by its 100th birthday.

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, when one enters a debate of this type at this stage of the game it is rather difficult not to be repetitious. A previous speaker said that this is an historic and far reaching piece of legislation. We all agree that it is far reaching, as any program is that improves the welfare of every man, woman and child in Canada. As to its being historic, I agree with the Liberal speaker in this respect because it has been appearing and wobbling in and out of Liberal election propaganda since 1919. We are faced with the fact that the plan is not going to come into force until 1968, almost two years hence, and who knows what may happen to it between now and then.

Last week I asked the Minister of National Health and Welfare (Mr. MacEachen) a question in connection with the possibility of sending this piece of legislation to a committee for study. The minister's reply was:

> It is not the intention of the government to send the medical care bill to a committee for study. It is a very short bill and it speaks for itself. In my view it can properly be studied in committee of the whole.

That is quite an interesting statement. It would almost appear that this bill is just another routine matter in the house that it is a short bill and does not require a great deal of study, that having been introduced it will be carried forward without too much difficulty. I would refer the house to the description of this bill:

An act to authorize the payment of contributions by Canada towards the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

I do not think too many of us in the house object to the philosophy that if the provinces are willing to bring forward medical care insurance plans the federal government should assist them to do so. However, one section of the bill provides that the plan must be universal. It was rather interesting that when the minister introduced the resolution preceding the bill he spent so much time trying to convince us that the universality of the plan did not mean compulsion; it did not mean that everybody in Canada would have to participate. I maintain that if the minister would see fit to revise the idea of compulsion, which will interfere with the freedom of the provinces, the freedom of the individual and the freedom of the doctors, there would be very little doubt that we in this house could come to general agreement on the question of medicare.

I do not think there is a person in the house who is not in favour of medicare of some kind and its being made available to all Canadians. Such plans are available in the provinces at the present time. There are private plans in which people can participate; there are co-operative plans and plans of all kinds under which people can recieve medical attention. As the hon. member for Bow River (Mr. Woolliams) mentioned, very many of the organizations in this country, labour unions, manufacturers, teachers, doctors and small businessmen have medicare available to them. I am very proud of the fact that co-operative medical services plans are operated in the two counties I represent. I refer to the Wellington County Co-operative Medical Association plan and the Huron County Medical Co-operative Services plan. These two organizations have done a tremendous job in providing economical and serviceable medical care to all those within the area who wish to avail themselves of these services. I too, am interested in those people faced with critical illnesses which might use up their entire financial resources. In our province there is a medical care program which pretty well prevents this situation developing.

It is rather interesting to hear other people, particularly members of this house, indicating that people are just crying out for this type of a poll taken by a newspaper, *The Independent Businessman*. I am a small businessman and receive this newspaper and am probably more interested in it than some people. However, I was very interested in the results of the poll taken on the question of medicare. This newspaper is read by 100,000 small businessmen in Ontario. I do not know how wide its circulation is throughout the nation but it has over 100,000 readers in our province. In answer to the question, "Do you approve of medicare," only 27 per cent of these people indicated in the "yes" column that they were interested in this type of program. On the "no" side 68 per cent of the people said they were not interested in medicare, and only 5 per cent of the people polled had no opinion.

Therefore it is difficult to accept the statement that a great mass of people are clamouring at the doors of the parliament buildings asking members to bring forward this piece of legislation to relieve them of their medical cares and financial responsibilities in this connection. Apparently this is not true. In talking to my constituents over the holiday about medicare I found that a great many of them said, "I think it is about time the government quit participating in our business and let us look after ourselves. We are sick and tired of the big clubs that are held over our heads saying that we have to participate in pension plans, we have to participate in medicare, and so on." This is a popular feeling in Canada today. People are sick and tired of these social security programs. They are beginning to realize that there is no pie in the sky, that the money for these programs does not grow on trees and somebody has to pay for them. If more people realized that I think they would come to the doors of the Liberal government and say; "Take another look at this piece of legislation and see whether there are so many people interested in it."

• (4:50 p.m.)

In the same connection it is rather interesting to read what a very famous senator who retired a few months ago said about this

house and what is happening in Canada. He was quoted in an article in the *Globe and Mail* of July 11, 1966, headed, "Crerar Urges Western Liberals To Back Away From Socialism."

It goes on to say that he would not attend a party conference in Saskatoon next month where policy would be developed for this year's national Liberal convention. He said:

I would tell them they are supposed to be a Liberal gathering. They should get back to the sound principles of Liberalism, and compulsion in areas in which it is the right of the individual to decide isn't one of them.

He then goes on to speak about another piece of legislation which the Liberal party brought in and which was supposed to benefit the elderly and the retired in Canada. He said:

The only objectionable feature of the Canada Pension Plan is that it is compulsory. How you can reconcile compulsion with Liberal philosophy is beyond me.

These are the words of a man who has spent a great many years both in this house and in the other place, a man who, in spite of his years, had an understanding of the conditions prevailing in this nation, a man who was interested, as we all are, in the welfare of all Canadians.

We have an amendment before us proposed by my colleague, the hon. member for Simcoe East (Mr. Rynard) which, if it were accepted, would make this piece of legislation more palatable to all of us in this house. First of all, it deals with the co-operation of the provinces. We all realize the importance in this great nation of working in unity with the municipal, provincial and federal governments. Unless we do that we cannot hope to bring in legislation for the good of all the people. Today three provinces have their own voluntary medical schemes because they realized the necessity of making available to their people a medical plan of their own choice. Most of the provinces have medical schemes for people on low incomes who do not have the means to look after themselves. These plans allow the people to choose the plan to which they wish to subscribe.

I was rather interested in Premier Johnson's statement that he was not going to have the middle class harassed by social legislation, or words to that effect. Who are the people affected by legislative programs of this type? It is the poor people, people on minimum incomes, those on very small or no incomes who are in most cases given free assistance. A medical care program does not mean anything to wealthy people because they have the means to look after themselves. It is the small storekeepers, the farmers, men working in the factories and professional men who are affected by this type of program.

Quite a number of the provinces feel that they cannot participate in a medical plan unless the federal government carries most of the load. Therefore it does not look as if this legislation will receive much co-operation from them.

The amendment also deals with a concept I have already mentioned, namely, the freedom of the individual to select his own plan. We have seen in this house governments who believed they could spend the people's money better than the people could themselves. I was interested to read a publication which we all received on our desks entitled "Industry", for June, 1966, published by the Canadian Manufacturers' Association. I quote from an article headed "Call Back Yesterday".

The following editorial first appeared just ten years ago in the June, 1956, issue of "Industry" under the caption "Worth Pondering":—

At that time the minister of finance was Mr. Walter Harris. The article continues:

Mr. Walter Harris came up recently with a revealing statement and an interesting comment, both of which deserved a good deal more prominence than they got.

The statement: "One-third of the annual income of the Canadian people is taken away from them in the form of federal, provincial and municipal taxes".

The comment: "This is a situation worth pondering."

There is another comment farther down which I should like to quote because it deals with the concept I mentioned earlier regarding the right which people should be given of choosing their own plan. It reads as follows:

The doctrine that governments can spend the people's money better than the people themselves is not a new one. But it remains highly fashionable. More so than ever.

Mr. Speaker, that was in 1956. You were not here then but we all remember how the front benches revelled in the surpluses which they were able to build up year after year by taxing the people for money to run the ordinary services of the country. This got through to the people and created the situation which we inherited in 1957, the tight money policy and increasing unemployment. The arrogant crew over there thought they could spend the people's money better than the people themselves. Are not compulsion and insistence on

everyone's participation in this plan an indication that the government feels that individuals are not even able to look after themselves, have no right to do so, and that this great magnificent government can look after them better than they can?

All this has happened before, Mr. Speaker. As I sit here and watch what is going on over there, I sometimes think that if those people who were kicked out in 1957 had learned their lesson they would not be saying now that they have all the answers, that this program should not go to a committee to be discussed and that this program will look after the people better than the people can look after themselves. There are a lot of people in Canada who are becoming wise to the situation and who are realizing there is no pie in the sky and that this plan will cost them money. The people of Canada want to be free and they want the opportunity to look after themselves.

• (5:00 p.m.)

The fourth item in the amendment proposed by my colleague from Simcoe East has to do with a matter which was so ably expressed by him when he spoke on the resolution. I refer to the necessity, before any such plan is implemented, of there being an adequate number of doctors, an adequate number of hospitals and an adequate amount of research to look after the people. Every effort should be made to ensure that in Canada the best type of medical care is provided for our people.

As the hon. member for Welland (Mr. Tolmie) mentioned, a plan such as this one is not going to bring the very best brain specialist to the door of every person in Canada; it is not going to bring the best heart surgeon to the door of every person in Canada. There are just not enough of these men to go around. I cite my own case as an example. I live in a village of 1,200 people and we have one doctor to look after all the people within ten miles of that village. Granted, some of those people go to other places, but they have to do so. This doctor has only one pair of hands and he can only be in one place at a time. We do not have enough doctors in Ontario or in Canada to service a program of this type at the present time. We will not have enough by 1968, the time it is proposed to start this program.

I am certainly in favour of this part of the amendment. Before we bring in any comprehensive plan we should do our utmost to see that we have the medical people and the medical facilities available. We should have sufficient personnel to look after all our people, and we do not have enough at the present time. The hon. member for Bow River (Mr. Woolliams) mentioned this as one of the priorities.

Finally, Mr. Speaker, the amendment mentions something we have been seeking and that is a plan to look after the people who do not have the money to look after themselves. I do not believe we have to wait for two years to implement such a plan. This is a priority and something we should be thinking about. Of course, we think of some of the other plans that were introduced and which were supposed to look after many of these people. We think of the Canada Pension Plan. We well remember that great plan which was introduced by the hon. lady and when she finished speaking she said it was a plan to ensure that all the people of Canada would be able to retire in security and in dignity. What a wonderful plan that was! It was wonderful in conception but terrible in prosecution. We know that the government has introduced another piece of legislation to remedy the deficiencies in the Canada Pension Plan and look after the very people who were not allowed to participate in that plan and who should be looked after immediately.

There is another class of people who need help, Mr. Speaker. Somebody mentioned the genteel poor. This is a class of people which is increasing day by day because of the inflationary tendencies in our economy. I have heard some people say that this great medical plan will not affect our finances so there is no reason for not introducing it now. Our experience has been that social measures cost money. We are wondering why we are having inflation. I wonder how much the Canada Pension Plan has contributed to the present labour unrest. On January 1 of this year every man working in a factory, store, foundry or mill had a payroll deduction for the Canada Pension Plan. He was probably buying a house and a car and had debts or perhaps sick children at home. He went home with less money than he had the month before. Do you not think he was provoked? He was not so worried about what might happen to him 10, 20 or 30 years from now; he had problems now. What about the manufacturer who has to pay the other half of the pension contributions? We are talking about socialistic schemes. Do you think he can afford to pay his half? Do you not think that amount was added to the price of the product he sells?

The Minister of Agriculture (Mr. Greene) made a great name for himself last week when he told the women of Ottawa how to shop. There are some women in Ottawa who are not too happy about his program and they wonder if he were doing the shopping day in and day out, whether he would do any better than they do. We have inflation in this country and many of the things that are causing inflation are things that we feel we have to introduce to look after other people. As I say, we believe there should be a program developed immediately to ensure that people who cannot look after themselves are looked after. The provinces should be assisted in this field.

There is one more point I should like to mention in connection with this plan. I have referred before on occasion to the cost of social programs. I do not always agree with the Minister of Finance but I do agree that we cannot afford this program. Many people have medical plans now which are going to disappear. I have yet to see any program instituted by a government that could not have been provided more cheaply by private enterprise. As I say, I commend the Minister of Finance for realizing that.

Let us look at one or two of our socialistic programs. We are happy about the hospitalization plan. This was good legislation but it was not compulsory legislation. The individual had a choice. I mentioned costs. In 1958, when the Conservative government instituted hospitalization, payments by the federal government to the provinces amounted to $158 million. In 1962, four years later, these payments had increased to $420 million, nearly three times as much. I was a member of the committee which discussed the Canada pension program. Time after time it was brought to the attention of the government that rarely, if at all, does the cost of a plan of this type remain stationary. We know about the United States experience and their plan has proven five or six times as costly. As one speaker said the other day, when we introduce social legislation of this type it is forever. It is almost impossible to roll back such legislation. It can be amended and changed but the principle has to be carried forward.

• (5:10 p.m.)

I sometimes wonder what we are doing for future generations besides polluting our streams and destroying our good agricultural land. Are we encouraging thrift among our young people through these social programs? Is this program from the cradle to the grave about which we hear so much talk really good for all of us? What right have we to legislate for future generations? In fact, what right have we to discuss legislation to bring in a program like this which will not be instituted for two years? No, Mr. Speaker, I think another look has to be taken at this piece of legislation.

As far as I am concerned, Mr. Speaker, I am going to vote for the amendment. I am not worried about the people who say that we are filibustering this piece of legislation. Neither am I worried about the people who say that if I vote against the legislation I shall be committing political suicide.

I say this, Mr. Speaker, because a lot of people in my area who have voted for me in a number of elections have sent me here to speak on their behalf and to see whether, if possible, I could influence the government to let them live their lives, to let them choose their own type of programs. I think that this is what I was sent here for, sir.

In closing I should like to make reference to an editorial which appeared in the Montreal *Gazette* for Wednesday, October 12, 1966. It is headed "Not Just When But How", and the article indicates how shallow a lot of the discussion which has taken place on this question has been. The article is discussing the timing of this program and suggests that the debate has not indicated how it will be paid for and how much, in the final analysis, it is going to cost. The article concludes:

> But the heated debates of the last few weeks have not even raised the questions, much less begun a search for the answers. The debate has been on the irrelevent question of whether the scheme should be started next year or the year after.
>
> It may be hoped that between now and July 1, 1968 there will be more discussion about the real issues which medicare raises, and less about the secondary ones; more about substance, and less about style.

Mr. Milton L. Klein (Cartier): Mr. Speaker, I rise in support of medicare. I look forward to the time when the services to be provided will be increased and the members of our society who, for example, require eye glasses or dentures will be able to obtain them under this plan. When we seek to legislate we try to make improvements. We can never achieve the ideal legislation in regard to any question. As a matter of fact, even nature itself is not perfect. For example, I have never been able to understand why human beings are given a second set of teeth at five years of age; it

would have been far better had nature provided a second set of teeth at 50 years of age. But we cannot argue with nature.

As the previous speaker said and as has been pointed out, when medicare does come into force it is important that it comes into force forever. It is far more important that this legislation be passed by this house than that it shall come into effect on July 1, 1967 or July 1, 1968. The important thing is that it does become part of the legislation of this country. I would suspect that no party would be more disappointed than the New Democratic Party if in fact this program does come into force on July 1, 1967.

Mr. Scott (Danforth): Explain.

Mr. Klein: Very obviously, Mr. Speaker, for political reasons. They would be very happy if the plan did not come into force prior to July 1, 1968. They would be most unhappy if it did come into force before that date.

Mr. Lewis: You are as wrong as your finance minister.

Mr. Klein: It has been stated, that there is a shortage in this country of medical practitioners. I should like to deal with this point for a moment and to speak about the high cost of providing education, both in time and in money, to train the medical students of this country.

For example, I am told that in the province of Quebec the requirement for entry into the career of medicine is a pre-medical course of some four years duration, at the end of which a degree either of Bachelor of Arts or Bachelor of Science is necessary. Once this degree has been obtained and the qualifications are met for entering medical school, the medical student has to spend another four years at medical school. In addition, he must then spend another year as an intern in a hospital. This means that a student who wants to become a general practitioner—the requirements are different for someone who wants to specialize in medicine—has to train for nine years.

Beyond this, Mr. Speaker, if the student wishes to specialize in any particular branch of medicine I am told that he must intern in a hospital in the province of Quebec for a further period of five years. Therefore this means that if a student wants to practise as a pediatrician or as a surgeon, or to train for a particular specialty, he must give up 14 years of his life after leaving high school. This would mean, that if a student of 17 or 18 enters the liberal arts to obtain a B.A. degree or a Bachelor of Science degree and wants to specialize in a particular branch of medicine, he will not be able to earn his own living in his particular specialty until he is at least 32 or 33 years of age. I am also told that the approximate cost of educating a doctor is $25,000 a year.

I would think that the conditions which are laid down for people who want to choose medicine as a career must be looked into with a view to reducing the period of time it takes to become a doctor or a specialist, as they desire. We should also use whatever influence we can to convince the medical association of this because the association itself is contributing to a shortage of doctors. The medical profession itself is creating a shortage of medical practitioners in this way.

I do not see the necessity for a person who wants to become a doctor to apply himself to a four-year pre-medical course to obtain a B.A. or Bachelor of Science degree. I think there ought to be a crash program in which the pre-medical requirements should be done away with until such time as we have sufficient doctors in this country and under which a person could enter upon medical training immediately on graduation from high school. If more time is required for training, I suggest that a student's time would be far better spent in the actual study of medicine than in the study of Keates or Shakespeare.

• (5:20 p.m.)

I believe we are coming to the time when we all want to see universal free college education or the opportunity of a free college education for all people in Canada. We are probably heading in that direction. I think we ought to establish priorities and not wait for a universal plan. For example, we cannot offer opportunities for free university education for every person in Canada in every type of profession. But in this country we are short of doctors and therefore we ought to say that we will provide free education to anyone qualified who wishes to take up the profession of medicine. Such a program for such a purpose ought to be established immediately.

An hon. Member: Too late.

Mr. Klein: We must persuade the medical profession to co-operate. I may be wrong in what I am about to say, and perhaps this is not so today, but in the past different associations, whether medical, legal or others, set up standards in order to prevent their

respective professions from being overcrowded. Perhaps the whole matter needs a new look to see what can be done to facilitate an increase, particularly in the medical profession. In the present circumstances we ought to have a crash medical program, first, to convince the medical profession to lower its standards, and, second, to make the pre-medical course unnecessary and allow students to enter medicine immediately. Furthermore, we ought to make the course available free of charge to qualified people.

Also, I do not think that the universities are making enough use of their quarters. If in this country, for example, we need doctors, engineers, physicists, or whatever professions for which we should establish priorities, then courses such as liberal arts, commercial and the like which do not produce scientists, doctors or physicists ought to be taught at night. The building facilities should be used during the day to further the studies of those students who may now be turned away in the fields of science, medicine, physics and so on. I admit that the universities have to expand their quarters in certain instances but the need for some of this expansion could be overcome by staggering the hours at which different courses are taught.

I hope that the establishment of medicare will bring the doctor back to the patient. I hope that the medical profession will not even wait for medicare but that, for example, a pool of doctors will be established which can be drawn on in the middle of the night. If you do not have a family physician it is impossible in an emergency to get a doctor in the middle of the night. Under medicare I hope that this problem will be taken care of so that a person or a family may call the College of Physicians and Surgeons say at two o'clock in the morning when somebody is ill and in need of a doctor. From this pool of doctors it would be the duty of the college during such hours to direct a doctor to the patient.

I suggest that many of the ills a patient suffers from today are often aggravated by the fact that he has to go to the doctor's office and take all kinds of tests. In the past, when the family doctor came to his house and reassured him that his illness was of minor consequence, the patient often recovered more quickly than in these days. I hope that the human relationship that existed at one time between doctors and their patients can be re-established.

[Mr. Klein.]

I also think that the legislation we implement with respect to medicine ought to be part of a concentrated war on poverty. Not enough effort is being concentrated in this direction. I say that because many of the persons requiring medical attention today require it because of malnutrition.

I should like to see the day when, as part of the war on poverty—and I think that medicare is part of the plan of zeroing in on poverty—we designate in certain urban areas pockets of poverty bounded by certain streets, and within those streets we ought to impose rent control. If there are other areas in a city with buildings which, for example, are classified as third class, then those buildings should also be placed under rent control.

I should also like to see the day, and I do not think it should be far off, when we can call dieticians before an appropriate committee of the house to tell us what basic nutrients a person requires in order to exist for a 24-hour period. If those nutrients constitute, for example, milk, bread, certain cuts of meat, whatever those basics are, I think that price controls ought to be enforced on such basic human needs. I am not talking about luxury items or luxury meat cuts. I am talking about basic nutrients.

The government might consider, for example, subsidizing the producers of these basic nutrients at the source of production so that the price spread between the producer and the retailer will always remain constant. I suggest that price control on these food essentials could be worked out. I do not suggest the manner in which that should be done. But, for example, when we give a franchise to a transportation company we say that the company, irrespective of any loss it may incur in providing passenger service in certain areas, must, as part of the franchise, accept the duty of carrying passengers. Before a food market is permitted to establish itself it is placed under an obligation to carry certain essential food products at a price which is controlled or set by the government —I recognize this is a provincial field—or else lose its right to conduct a food market.

• (5:30 p.m.)

The hon. member for Gatineau (Mr. Isabelle) has told us there are 24,000 doctors in Canada, only 9,360 of whom are general practitioners with the others practising in particular branches of medicine. This may account in some measure for the high cost of medical treatment in Canada. I believe that if the proportion were reversed and we had

more general practitioners than specialists, more illnesses would be treated at home and there would be less reference to specialists resulting in heavy expenses. Reference to specialists results in many cases in going from one to another.

I support this legislation. I suggest that we in this country must seek to educate the affluent society as to the necessity for such programs as this. Before the election in Quebec in 1966 one enterprising reporter predicted that it might produce many surprises. I should like to read from his article in the Montreal *Gazette* in which he quotes an observer as saying:

> People are ungrateful. They would as soon get half what they get now with all the new programs like hospital insurance if they just knew their neighbour was not getting anything at all.

The reporter ends by quoting one man as saying:

> I paid my children's way through school and now I am paying for other children. And my taxes are still going up.

I suggest we should go to the people of Canada on a non-partisan basis and say to them: we want these social programs and they are coming whether certain people like them or not. But these programs require money from taxation. In my view no political party should go to the people in future and say it can reduce taxation while increasing services. On the contrary, the people should be told that we intend to increase social benefits and that this will mean increased taxation.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I feel duty bound to make some comments on this motion for the second reading of Bill No. C-227, an Act to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans. From the social point of view, this bill is excellent since it offers to help the provinces with regard to health insurance. But from the financial point of view, this bill becomes dangerous for the provinces, like a pill that is candy-coated so the patient will swallow it easily. It is all very well to give, but not to steal for a charitable purpose.

As in the case of all other similar bills tending towards centralization, the federal government continues to progress toward absolute control over the provinces in all fields, while letting them think it is helping them. By what means is this help given? The government will impose heavier taxes on the population of each province, in accordance with its famous saying: you don't get something for nothing.

On the other hand, the people are not told that under all those famous joint plans, the taxpayer must pay twice for the same service. As a matter of fact, the federal government recognizes that health comes under exclusive provincial jurisdiction. It will therefore be up to the provinces to administer medicare. The provinces will have to decide whether a medicare plan is beneficial and set the date and the terms of its implementation. I am therefore very much surprised when the government starts considering whether the plan will be implemented in two, three or four years.

If it is really up to the provinces to determine the form, the financing and the effective date of the plan, then what is the use of Bill No. C-227?

It would be much more logical, it seems to me, to simply say that the federal government will support the provinces as much as it can, without subjecting the Canadian people to double taxation. Because, after studying Bill No. C-227, I wonder what would happen if the province of Quebec, for instance, decided against implementing its insurance plan before two, three or even four years, or flatly refused to take part in a program laid down by the central government?

• (5:40 p.m.)

Will the federal government levy the same tax that will be imposed on the participating provinces? I feel this would a flagrant injustice towards the Quebec people. We also consider as unfair any action by the central government to impose on its own a further tax in order to hand over part of it to every province.

We maintain that if the central government recognizes the rights of the provinces in the field of health, it should let them make their own decisions and levy their own taxes.

I heard a Liberal member tell us that we have no right to prevent the government from assisting the provinces and that the central government is fully entitled to lay down conditions for that assistance.

Mr. Speaker, such is the policy of the federal Liberal party which would like to interfere in all provincial fields, when it is a known fact that the same ones always pay. What we want in Quebec is the abolishment

of double taxation. We would like to be taxed only once and directly by the responsible government, which in the present case is the Quebec government. We should stop acting on the federal scene for the sole purpose of political prestige. One move by this government would settle all deadlocked discussions; it would drive away from the federal scene all those actors trying to give an impression of generosity on the part of the central government, while it is just pure hypocrisy. One move by parliament would do justice to the provinces and that is to give back to the provinces the taxation rights that belong to them, namely personal and corporate taxes and succession duties.

As I told the house, let the federal government give back to the provinces what they voluntarily lent it for the duration of the war and what it has wilfully kept for more than twenty years, thus depriving the provinces of their own taxes and causing the headaches now bearing down on provincial parliamentarians.

When you borrow, you must pay back. That is precisely what Ottawa has always refused to do and still does today. I say that is dishonest, and that because the federal government acts that way there have been misunderstandings for twenty years, and that we may have anarchy in the years to come. Will the members from all provinces realize this before it is too late? I certainly hope so, for otherwise I would prefer not to be around to witness the atrocities to come.

Mr. Speaker, I feel that as far as the Canadian community is concerned, its days are numbered unless we revert to a more honest dialogue. Federal-provincial conferences were invented in an attempt to dialogue, but one soon realizes that the federal delegates flaunt an obvious lack of good will.

Bill No. C-227 is still the best proof we have of this. Whereas several provinces have voiced serious objections to the present bill, the government proceeds as if nothing had happened, to the extent that we wonder if it really has discussed the matter with the said provinces.

Sticking to the strong central government principle, the government carries on as if provincial governments were mere vassals, or simply did not exist. And this we dare call co-operative federalism. This reminds me of popular socialist elections in Russia, where only the Communist party candidate may run for election. Thus, the Liberal party will be able to tell the people: "As promised, we have given you a medicare bill, although we will not be the ones to give you medicare; this is up to the provinces. We will help the provinces, but on condition that they accept the conditions in our bill. If they refuse, nothing."

That is why I maintain that it would have been much more logical to simply offer federal assistance to those provinces wishing to introduce medicare for their residents, and this help should be granted in the form of new credit made available to the government by the Bank of Canada, and not by an additional tax levied particularly on Canadian workers. In this light, we would have several amendments to present to the hon. minister who introduced the bill.

I note in the bill under its present form that the expression "insured services" means:

—all services rendered by medical practitioners that are medically required—

I wonder if the government has considered all the paramdeical services. Optometrists, for instance, whose vere valuable services are required daily to care for the eyes of all our people.

Last Wednesday the Prime Minister and the Minister of National Health and Welfare (Messrs. Pearson and MacEachen) clearly stated that they would consider the advisability of including the optical services under medical services to be covered by the proposed medicare plan for Canadians. But these are only considerations, possibilities; there is absolutely nothing of a positive nature either in the ministers' words and even less in the letter of the law itself. And since our party believes only in what is written in black and white, in present laws, we urge the honourable Minister of National Health and Welfare to incorporate it in the act by an amendment, when he moves third reading, so that there may be justice for all. Moreover, the minister must have received a good many requests in this regard, coming from the optometrists themselves or from their association. For the information of the house concerning petitions, I have here an excerpt from the C.O.A. president's report in which he requests the co-operation of the members to force the government's hand.

Here is a paragraph concerning that invitation to the members of the association. I quote:

Every optometrist should make it his duty, before the fall session, to get in touch with his federal member either personally or by letter, to explain

the unfairness of such a decision or those Canadians who seek the optometrists' services and for the optometrists themselves.

The C.O.A. will make new representations to the federal government to reinforce previous representations. Provincial associations should endeavour to have their respective provincial governments specify what their position is on the matter.

At this point I should like to give just one more example of the letters received asking that the act be amended by the minister. On October 14, 1966, I received a letter from an optometrist in my district of Roberval. Here is a summary of that letter sent by Mr. L. G. Deschênes, optometrist in Dolbeau.

Dear Sir:

I gave you at my office last year a brief concerning the inclusion of services given by optometrists in the medicare bill.

Since we do not seem to get anywhere in spite of all the representations of our federal and provincial organizations, in view of the strong opposition in the high circles of organized medicine, I take the liberty once again to ask you to take part in the present debate so that our services to the people will be included as are those of the paramedical professions.

If that is not done, it will be a great injustice against us and those who come to us; in other words, for our riding it will mean that the Canadian government will pay the cost of the examination by the optician at the hospital and will not pay anything for those who will come to see us.

I am also including some literature to that effect—

And he sends me newspaper clippings. This is similar to all the other letters; it gives an idea of the letters we receive from every optometrist. The minister must have received some from the members, and I am sure that he will recall having stated that the government was studying the possibility of including services given by the optometrists.

Therefore, we hope that his consideration will be translated into an amendment to Bill No. C-227.

• (5:50 p.m.)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Halifax (Mr. McCleave), National Defence—inquiry as to salary scale of naval lieutenants; the hon. member for Lotbinière (Mr. Choquette), Transportation—installation of signal lights at all railway crossings; the hon. member for Carleton (Mr. Bell), Public Service—representations respecting relief for red circled employees.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I welcome the opportunity to say a few words on the amendment before the house. Before doing so, however, I should like to express what I am sure is the appreciation of all members in the house of the fact that the Minister of National Health and Welfare (Mr. MacEachen) and his parliamentary secretary have been present throughout this debate. We have appreciated their presence and their attention to the speeches which have been delivered in the last few days. In this debate the speeches have been of a very high calibre. I am sure the minister and his assistant on reflection and on a re-reading of the speeches will find that many of the points which have been made should be taken to heart. As a result of this they might even go so far as to postpone the implementation of this bill, or at least make several important changes.

For purposes of clarity I will divide my speech into four headings. First, why are we taking the valuable time of the house now? Second, keep out of medicare—it is none of our business. Third, the country is not prepared at this point for medicare and, fourth, it is discriminatory and it is compulsory. First, why are we taking the time of the house now to pass this piece of legislation which we are told will not come into force for at least two years, on July 1, 1968?

I think the minister might well refer to the confession which so often is read by those of all religious faiths; indeed, he might even suggest that it be read or said at the commencement of every cabinet meeting. It goes something like this: We have left undone those things which we ought to have done and we have done those things which we

ought not to have done. I think this would be very appropriate right at this particular time. We are asked to take the time of the house to discuss this bill which, as I said, will not be in force for two years. Ask the old age pensioners what they think about the house taking up time on this particular bill at this point.

Last summer before the house adjourned, I believe about July 14, the minister made a promise that he would introduce a measure to increase the old age pension to a minimum of $105 a month. The $30 extra to bring it up to $105 is urgently needed. This becomes apparent when we see how these old age pensioners exist, the type of accommodation they have, the type of rooms in which they are living often in the basements of houses which are damp and poorly lighted, and at the same time trying to spread out the $75 to make it go as far as possible. While they are living in this manner we in this house are debating a piece of legislation which will not come into force for two years. So we come back to that great Liberal slogan of "60 days of decision". I think it is more like six months of indecision, six months of inaction, or maybe it is six months of reversals.

The latest reversal we have heard of today is that the Minister of National Defence (Mr. Hellyer) is being asked by his fellow cabinet ministers to reverse his decision on unification. Perhaps the Minister of National Health and Welfare should be asked to reverse his decision to go ahead with medicare at this particular time when there are so many other matters which should be debated in the house. There are supplementary estimates with which we should be dealing. The first thing we know we will have reached our 100th anniversary and will not have chosen our national anthem.

We have before us a bill dealing with the Central Mortgage and Housing Corporation. I do not need to remind hon. members that we need a change in the C.M.H.C. regulations so that we can get on building more houses. The Minister of Manpower and Immigration (Mr. Marchand) has talked about bringing people to Canada but if we do not have housing for them, why bring them here. People will be living in tents soon if we do not do something about this. We also have the export credit legislation. There is the matter of a budget and the problem of inflation. We should be dealing with all these things but instead we are spending our time on a piece of legislation which will not come into effect until 1968.

[Mr. Hales.]

Mr. McIlraith: Mr. Speaker, would the hon. member permit an interruption for a moment? We have had a request that the house suspend its sitting for an hour for the purpose of a dinner break. If this is agreeable to the members of the house opposite, we have no objection on this side.

Mr. Deputy Speaker: Order. Is it agreed that the house suspend its sitting for one hour?

Some hon. Members: Two hours.

Mr. McIlraith: The request is only for one hour. There would be no willingness to agree to two hours.

Mr. Deputy Speaker: Is it agreed that the house suspend its sitting for one hour?

Some hon. Members: Agreed.

SITTING SUSPENDED

At 6.02 p.m. the sitting of the house was suspended.

SITTING RESUMED

The house resumed at 7 p.m.

Mr. Hales: Mr. Speaker, before the supper adjournment I only had time to introduce the four points upon which I propose to speak: first, why we are taking the time of the house now to discuss this piece of legislation that will not be in force for at least two years, if passed; second, my feeling that the federal government should keep out of the medicare business because it really is not its responsibility, up to a point; third, that the country is not prepared for medicare at this particular time; and fourth, my belief that this plan is discriminatory in its compulsory aspect.

I had dealt with my first point and now wish to proceed under the second heading, namely that I feel the federal government should keep out of the business of medicare except to the point where the federal government would pay its share of the subsidized costs experienced by the various provinces which institute a program of medicare. When we stop to look at the situation we find that the province of British Columbia has a good plan of medicare, as have Alberta and Saskatchewan. Manitoba is just waiting for the "go" sign for its plan. Ontario has a good medicare plan, and Quebec is working on a plan. Quebec is looking after the people who cannot afford a medicare plan, and the other provinces in the east are all considering a medicare plan.

I am not a lawyer, but I am led to believe that from the constitutional viewpoint the business of medicare is the responsibility of the various provinces. Therefore, Mr. Speaker, I reiterate that I believe our responsibility as a federal government is to pay our share of the costs of those subsidized by provinces which have a plan—and they will all have such a plan eventually. We should pay our share of the subsidized portion whereby the provinces will take care of everyone who cannot afford medicare. In other words, no one would go without medical care.

Another point is that this is a very costly proposition for the provinces and the federal government. It will be a major cost item, and the largest portion of the cost will fall upon those provinces which are objecting to the federal plan, particularly Ontario. The federal government will pay half the average cost of basic medical care to participating provinces. Ontario, which provides half the federal revenues, will thus pay half the national cost, but its own share of the cost will be larger per capita than that of the other provinces.

• (7:10 p.m.)

Basic medical costs in Ontario average about $40 while the national average is estimated at $35. Ontario would receive only $17 per capita from the federal purse and would have to pay $23 itself. The position of Quebec would be little better, and probably worse because they are now faced with the improved program of education, and with an industrial program which they find should have priority. And yet upon provinces such as Alberta, British Columbia and Ontario which together contain over half of Canada's population, the minister is trying to force an enormous and costly program. Moreover he is doing it without making any effort to determine what other needs the provinces will have to meet—for each and every province has its own obligations and problems. It would have been only right and proper for the minister to have waited for the Carter royal commission report, the Ontario committee on taxation report, and the Belanger royal commission report in Quebec, so as to give each province an opportunity to find out whether or not it could enter into such a gigantic program as this national medical plan. The minister says: "You will come in on my terms or get no help from Ottawa. While you will pay for a program you may not be able to afford if you stay out you will pay for those who come into the plan." These are his terms.

Medicare has not yet become legislation. It will not become so until, as I said, these taxation reports are in, at which time the provinces will have a much better opportunity to re-assess the whole situation. I feel that the various provinces are living up to their moral obligation which is the requirement to see that medicare is provided free or subsidized for all the low income or high risk groups in the provinces; this is already being done. I say we should keep out of this; we should leave it to the provinces to decide which plan they want, but pay our portion of the subsidy.

I should like to make my position on medicare clear. I am fully in support of a comprehensive health service. I do not like the term "medical service" and later on I will explain why. In my view we should use the term "health service" rather than "medical service". It should be made available to every citizen, whether his income is large or small, and both the federal and provincial governments should bring it within the reach of every family. This is what is being done under the provincial schemes. However, there are too many people who are willing and anxious to imply that a member who stands up in this house and says he is against this particular plan because of its compulsory aspects, its cost or the quality of medicare that will be provided under it, is against medicare. That is far from the truth.

My third point comes under the heading: Canada is not prepared. One could speak a very long time under this heading, but I am of the opinion that before we find ourselves in the strait-jacket of a universal and comprehensive plan of medicare we should assess the whole situation, and maybe set down some of the priorities as we see them.

Can we afford the expansion of education which our economic growth requires, as outlined by the Economic Council of Canada, at the same time as the added cost of an expanded nationalized health service? These are some of the questions we should stop and ask ourselves before we go into this plan at this particular time.

It is alarming to hear the plan being advocated as a program to provide free medical services to the Canadian people. A service does not become free simply because the government foots the bill. It is misleading to give the Canadian people the false impression that their government can take on additional

expenditures, which will amount before too long to over $1 billion a year, without imposing heavy additional taxation at both the federal and provincial levels. It is most unfair therefore to say that these plans are free. Nothing in this world is free.

There are not enough doctors and medical facilities available to make such a program available. I will not labour this point because the hon. member for Simcoe East (Mr. Rynard), a practising medical doctor who understands the situation well from his daily practice of medicine, outlined it to the house very fully and thoroughly.

All we have to do is to go into the rural area of any riding and see whether they have a country doctor ministering to them. One would be surprised to find that many villages lack a medical doctor. One does not exaggerate when he refers to the great difficulty of obtaining a room in the hospital these days. Hospitals are crowded beyond description, and neither doctors nor medical facilities are available in sufficient numbers, to say nothing about the medical science and research in this field which are badly needed. I shall not dwell upon this aspect of the matter, because this subject has been well covered in the debate.

My fourth point is that I feel this bill, if instituted, would be very discriminatory. As I said before, the title refers to the cost of insured medical services. I maintain that the word "medical" should be changed to "health" because medical care services includes only those practising medicine. What about optometrists, ophthamologists, chiropractors, osteopaths, physiotherapists, psychologists and dentists? All these people have spent years, at great cost, training themselves.

I understand it takes four years for an optometrist to learn his profession. There are around 1,500 of them in Canada, and only about 300 ophthalmologists. We therefore cannot say to an optometrist, a chiropractor or an osteopath: "You do not come into this plan because you do not qualify" because it will put these people entirely out of business.

I am sure each member has received representations on this subject. I should like to refer to a letter I received from an optometrist. It refers to clause 2 of the bill which outlines the terminology of "insured services", and as I mentioned leaves out all these people. The letter reads in part:

[Mr. Hales.]

• (7:20 p.m.)

> If the definition "medical practitioner" was amended to include optometrists, opthalmologists, chiropractors, osteopaths, physiotherapists, psychologists and dentists, for the purpose of this act the discriminatory aspect of this act would be removed.
>
> It is unthinkable that the Canadian parliament would contemplate legislating any group of fellow Canadians out of business.
>
> During that period 1939-1945 when the very existence of our nation was in jeopardy, optometrists served in all branches of the services. Some gave their lives, some were wounded and maimed, some merely gave up years of their lives —willingly and voluntarily in the war to "defend democracy."
>
> Does this act, as it now reads, "defend democracy"?

I think he has put it in a rather forthright manner. This bill is discriminatory toward private enterprise. We have the Wellington Co-op Health Plan in my own riding which is serving the community very well and efficiently.

Mr. Speaker, tomorrow we will be voting on this amendment which is before the house, an amendment which is carefully worded so that it will secure the endorsation of all members in the house. The first part of the amendment refers to the co-operation of all provinces. I do not believe there is a member in this house who does not think we should co-operate with the provinces. Indeed, if we are going to have this great country of Canada develop the way we would like it to develop, we must have the co-operation of all provinces. This bill will not be satisfactory unless it recognizes the principle of voluntary choice by individuals.

I know our good friends down in the corner, the New Democratic Party, might find this rather difficult to get around when it comes to voting for the amendment. However I would remind them that the present plan violates a fundamental principle of a free society, namely the freedom of choice a citizen may exercise in matters relating to his own or his family's welfare. I am sure these members believe in that principle. I hope therefore that they will not fail to vote with us when the division is called on this amendment.

The amendment would make provision also for those who are unable, for financial reasons, to provide medical services now. This is something that is very important, and it is in

the amendment. I was surprised the other day—as a matter of fact it was on October 13—when the hon. member for Winnipeg North Centre (Mr. Knowles) said, as reported at page 8620 of *Hansard*:

> Second, this is a sad day because the action of the government in proposing the postponement of medicare for a year is a discrimination against the needs of the people in this country, particularly their medical needs, and I refer particularly to those people who cannot afford the medical care they require.

The needs of these people are taken care of by those provinces which have medicare. Those who cannot afford medical care should be looked after by the provinces. We say that, rather than wait for two years to implement this legislation, these people should be provided for immediately. I am sure hon. members of the New Democratic Party will not find any embarrassment whatever in voting for an amendment such as we have before us now.

Well, Mr. Speaker, I must conclude, and I can think of no better way of doing so than by putting on the record these few lines which are attributed to Abraham Lincoln. We should take them as representing the viewpoint of this house for a good many years to come.

> You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer . . .
>
> You cannot help the poor by destroying the rich. You cannot establish sound security on borrowed money. You cannot keep out of trouble by spending more than you can earn.
>
> You cannot build character and courage by taking away men's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves.

So, I would give this warning to hon. members of this house, and to others: Let us beware of being sheep.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are now studying a motion for second reading of a bill providing for the payment of the contribution by the federal government towards the cost of insured medical services.

Mr. Speaker, under the B.N.A. Act the field of health falls under provincial jurisdiction. Today, the federal government seems to want to meddle with another matter which is a provincial responsibility. It is very easy for it to do so, since the federal government levies the greater portion of taxes in Canada. It is richer and, therefore, can afford to do more. As if might were right.

Mr. Speaker, if nine provinces in Canada prefer to have a medicare program governed, administered and paid for by the federal government, I for one will not object to their wishes. If they want a federal plan well, let them have it and let Ottawa find a way to implement a federal medicare plan for the nine other provinces. But Quebec does not seem to want to participate in this federal medicare plan, and it has the right to refuse. The present Quebec premier and the minister of health have both stated that they would not submit to the terms of the proposed plan as it now stands. On another occasion, the premier of Quebec said that Quebec would have its own medicare plan.

And I will be the first to support him in this regard, if he really wants Quebec to develop its own medicare plan, since this responsibility lies with Quebec and not Ottawa. Besides, on page 8, clause 8 of the bill to come before the house, we read the following:

> At least six months before the 31st day of March, 1972, the government of Canada shall review the provisions of this act respecting the amount and manner of payment of the contributions payable by Canada pursuant to section 3 with a view to formulating proposals for any changes therein that appear then to be necessary or desirable with respect to the amount and manner of payment, whether by the transfer or allocation of specified tax revenues by Canada and the making of equalization payments and other fiscal adjustments by Canada in lieu of the contributions that would otherwise be payable pursuant to section 3 or in any other manner, of the contributions to be paid by Canada pursuant to this act for years commencing after that day.

Mr. Speaker, this means that, if a provincial government refuses to take part in the federal medicare plan or wishes to develop its own medicare plan, ignoring the conditions stipulated in Bill No. C-227, then, in these circumstances this province or these provinces must pay the same taxes as other Canadian provinces, but they do not in any way benefit from the advantages of the federal medicare plan, and if these provinces have their own medicare plan, they are forced into levying a second tax in order to develop their own medicare plan.

This was also the case with the hospitalization insurance bill which was passed here, in the house, in 1957, if I remember right. The province of Quebec did not participate in the hospital insurance plan until 1961. During four years, therefore, the Quebec people,

like all other Canadian citizens, paid taxes which were collected by the federal government for distribution in nine provinces under the hospital insurance scheme. The province of Quebec did not receive anything, but kept on paying. Exactly the same thing is happening today with regard to medicare.

If Quebec decides to set up its own medicare plan, it will pay taxes to Ottawa which will be distributed in the nine other provinces to help them establish a medicare plan, and if Quebec wants to set up its own plan, it will have to subject its citizens to double taxation.

• (7:30 p.m.)

Mr. Speaker, in my opinion, this is illogical and unfair toward the Quebec people.

As I was saying earlier, I am not against the nine other provinces setting up their own centralized medicare plan, but I object to the province of Quebec being taxed in order to provide the other provinces with medicare. If the other provinces want such an insurance plan, let them stop taking money away from Quebec and let them seek within their own boundaries the necessary funds to finance their own medicare plan.

Such joint plans have been set up on several occasions: the technical training and trade schools assistance plan, the hospital insurance plan, the trans-Canada highway building project. The province of Quebec paid its tax share, but obtained nothing in return, because it wanted to adhere to the Canadian constitution which provided that the Quebec government and not the federal government is responsible for education, health and roads.

Mr. Speaker, if I object to that bill, it is not because I want to deprive the nine other provinces of what they are seeking. Not at all. If I object thereto it is because the legislation does not provide and the minister cannot provide for the provinces which do not wish to take part in a federal medical scheme and would rather set up their own.

There are in the house some Quebec members. They know quite well that if the province of Quebec does not take part in this scheme, it will pay taxes from which it will derive no benefit, but which will be allotted to other provinces.

Mr. Auguste Choquette (Lotbinière): And what about fiscal compensations?

Mr. Grégoire: Well, the fiscal compensation, under clause 8 of Bill No. C-227, cannot come

into force before March 31, 1972, as seen on page 8 of the bill.

I have just read it, I read this clause in full a while ago, and no fiscal compensation shall be paid before March 31, 1972, even if a province does not participate in this plan. Let us have some clarification.

Mr. Choquette: This can be improved.

Mr. Grégoire: It can be improved? Well, if the hon. member for Lotbinière says: "It can be improved", let him rise and make it binding upon the minister to improve the matter—

Mr. Choquette: I am just a private member.

Mr. Grégoire: —or let him move an amendment. Can the minister then clarify the situation? I would ask the Minister of National Health and Welfare (Mr. MacEachen)—I am not quite sure whether the minister now has his earpiece on to hear the interpretation—whether he proposes to amend clause 8 of the bill, so that, if a province refuses to participate in the plan, as soon as it comes into force, such province should get fiscal compensation? Could the minister answer yes or no whether it is his intention to move an amendment? I see the minister shaking his head. Now, this is the strongest denial thrown in the very face of the hon. member for Lotbinière, from his own minister. Therefore, if Quebec refuses to participate in the plan prior to 1972, it will pay without getting any fiscal compensation in exchange. What are Quebec members going to do?

Mr. Choquette: The future will prove the contrary.

Mr. Grégoire: Then they may as well call the Minister of National Health and Welfare a liar.

Mr. Speaker, the minister who is responsible, who has much more responsibilities than the hon. member for Lotbinière, has just stated that there will not be any change. Over four or five years, Quebec will pay taxes without getting anything in exchange, if it should decide not to participate in the plan. And I urge Quebec not to take part in this plan and to develop its own medicare plan.

Mr. Speaker, under the circumstances and in view of the unbending attitude of the minister, can a member from Quebec in all conscience vote for such a bill? I say no. The premier of Quebec asked all the federal members of Parliament from Quebec to unite

in protesting against the unwarranted interference of the federal government in fields which come under provincial jurisdiction, and I believe, Mr. Speaker, that all the Liberal, Conservative, Créditiste and independent members from Quebec should indeed unite against the interference of the federal government in a field over which it has no jurisdiction.

Mr. Speaker, some wonder why the people of Quebec are not satisfied. Well, here is striking proof of the intrusion and unwarranted interference of Ottawa in matters which are no concern of the central government.

And it not only interferes with something that is none of its business, but it also makes Quebec pay for it, so that other provinces will have their own medicare plan.

If the hon. member for Quebec East (Mr. Duquet) has something to say, let him rise and say it.

Mr. Gérard Duquet (Quebec East): A yacht bought in Toronto, by an independent leader in the province of Quebec.

Mr. Grégoire: Mr. Speaker, see how serious he is. I extremely regret that the province of Quebec should be so badly represented. When I look at the hon. member for Quebec East, I realize how poor, pitiful and small it is for a man, rising for the first time in three months or in a year, to say such a trifling thing. I think the hon. member had better remain seated, because—

Mr. Duquet: The hon. member is not often in the house, for he would know that we rise more often than that.

Mr. Grégoire: I believe I am here more often than the hon. member for Quebec East. I think the member for Quebec East had better remain seated and keep his mouth shut.

Mr. Speaker: Order.

Mr. Grégoire: But the government does not worry too much when it comes to introducing legislation such as this, for even their own members from Quebec, who sit on that side of the house, do not object, do not say a word. The remarks from the hon. member for Quebec East will appear in the record and people will then see the irrelevant remarks that were interjected. Personally, Mr. Speaker, I think I have sufficiently substantiated my argument, with the confirmation given by the Minister of National Health and Welfare, to the effect that the province of Quebec will be paying during four years for a plan that will bring it nothing.

Mr. Speaker, this is a glaring breach of the Canadian constitution and the first to violate it is still the federal government. In view of the fact that the taxes collected in Quebec are so badly used by the federal government, I hope the Quebec government will stand firm on its request that direct taxation, that is personal and corporate income tax and succession duties, be returned to Quebec. Then a little less of our money would be used to pay the cost of the medicare plans in the other provinces.

Mr. Choquette: But what you are advocating now is Mr. Johnson's formula. You are advocating the return of direct taxation to the provinces.

Mr. Speaker: Order. I suggest to both hon. members that this is not the right time for a debate between the hon. member for Lotbinière (Mr. Choquette) and the hon. member for Lapointe (Mr. Grégoire). The hon. member for Lapointe has the floor now and he should continue his speech.

Mr. Grégoire: Mr. Speaker, I find that there is nothing wrong with the question and I think that the hon. member can ask it.

Mr. Choquette: When he advocates the return of direct taxation, is he asking for the present quota or advocating the return of direct taxation itself to the provinces? In other words, the federal government would no longer have the right to exercise that right which is its own under the constitution, namely to levy an income tax.

Mr. Grégoire: Mr. Speaker, there is no doubt that my objective goes further than that. I feel that the whole field of direct and indirect taxation should be given back to the province of Quebec.

I support the present premier's request for direct taxation only because half a loaf is better than none and we must not refuse any improvement. I feel that the return to Quebec of all direct taxation is an improvement over the present situation because the present situation allows Ottawa to levy taxes anywhere in Canada but give them back to some provinces but not to others. And that is what is going to happen with regard to bill No. C-227 on medicare. If Quebec collected all its taxes, I would say to the other provinces: If you want centralized medicare, go ahead, those

are your taxes, this is your money. But in the present case it will be our money which will be used to pay for medicare in the other provinces.

• (7:40 p.m.)

And nobody protests against that, not even those from Ontario. If I were in their place, if I were a member of another province, I would be embarrassed to see that taxes are collected in the province of Quebec to pay for me. One could wonder after that: what do you want exactly? What we want? We want to keep what belongs to us.

Now, the Minister of National Health and Welfare is just doing the opposite. If he provided in his bill that, in the event a province, as it is entitled to according to the constitution, rejected interference by the federal government in the field of health, it could recover, as a fiscal equivalence, the amount which it would not recover by refusing to participate in medicare, then I would not object to the bill at all. I would say to the other provinces: You want it, take it.

Now, I object because no formula is provided enabling Quebec not to take part in the plan, but to enjoy a fiscal equivalence so that it can develop its own plan. Is that asking too much, Mr. Speaker? I do not think so.

Mr. Choquette: That was done for the pension plan and that can be done for medicare.

Mr. Grégoire: But it is not provided for; the opposite is provided for in that bill. Before criticizing the bill, I asked the minister: "Is the minister ready to amend section 8 to provide for a formula enabling a province to recover the amount involved, otherwise if it does not want to take part in medicare?

And the minister answered categorically: No, nothing is provided for that. To know what is provided for now, the member has only to read section 8 where it can be seen that before March 31, 1972, provinces which do not participate in medicare will not be entitled to any fiscal adjustments; that is what is provided for.

Yet we do not ask for the impossible; it is not something illogical, irrational. We simply ask that a province refusing federal interference in the field of health can receive a fiscal equivalence so that it would not have to pay taxes twice, or pay taxes for other provinces.

Mr. Speaker, that is the point I wanted to raise during the debate on second reading of Bill No. C-227. I want to add that if I vote against the principle of the bill, it is not to prevent other provinces from having a centralized medicare plan, if they want to. No, it simply is because the bill forces Quebec to participate in the plan or else lose a considerable amount of money and pay double taxes. This becomes discrimination, especially since health has always been a field under provincial jurisdiction.

Mr. Speaker, seeing the federal government act like this now, in 1966, one realizes beyond doubt that if the Canadian confederation can no longer continue as such, it is first and foremost the fault of the federal government which has always violated it as much as possible. The federal government does not seek to correct its mistakes. Even today, in 1966, it is trying to violate the Canadian constitution. Those responsible for the destruction of the Canadian confederation will not be the people of Quebec, but the federal government which will have infringed on the rights of the provinces.

Therefore, hear this: the real responsibility lies with the federal government and not with the province of Quebec.

This province reacts to the intrusion and interference of the federal government.

Mr. Choquette: Will the hon. member agree that there are nevertheless matters of national urgency which allow the federal government to take some action, permissible under the constitution itself? I feel that the hon. member is much too radical in his interpretation of the constitution.

Mr. Grégoire: Mr. Speaker, this is another good question. If there is any national urgency, let the federal government institute medicare. On the other hand, if there are nine provinces which want it as is, let the program operate for those nine provinces. But as Quebec also intends to establish a medicare plan, but her very own, well, let the federal government establish a clause providing that any province, or at least the province of Quebec, if the other nine provinces are satisfied, may draw some fiscal compensation for its own medicare plan; then, should not this meet the situation of national urgency as concerns medicare? Yes, it would, completely, and without the slightest doubt, since the ten provinces will have their medicare plan, in nine instances administered by Ottawa and in the tenth, administered by Quebec, as is the case at present regarding the pension scheme and others that were in the past joint programs and are today

separate. This is our request: that the federal government have a plan for nine provinces, which is perfect, if the federal government wants interfere in that field for the nine other provinces. But, at least, let the province of Quebec free to reject this intrusion and interference. There is no—

Mr. Racine: Can the hon. member for Lapointe tell us this, since he knows all about matters of provincial jurisdiction: provided the nine other provinces had medicare through federal channels, whether the province of Quebec would be prepared to grant the same social legislation to its citizens?

Mr. Grégoire: Actually, before the medicare plan comes into effect at the same time in the nine other provinces and in Quebec, we shall have to wait until July 1, 1968.

I think that it would be a good idea to get also some explanations from the Quebec government. I think that Quebec should also make known its priorities; I am not here to defend the opinions of the Quebec government in office at the present time. However, I believe that questions will be put to the Quebec government and that it might even be advisable to ask some in order to know when it will set up its own medicare program. However, I believe that Quebec must be assured of a fiscal equalization the day it would want to set up its own medicare program. We are asking for just that. This is not provided in the bill and the minister does not want to include it. This is why I object to the principle of that bill. And I do so on the ground that it is another interference, and because we do not want anymore the federal government to keep on interfering in matters such as those. Besides, we want Quebec to be the master of its own taxation so as to be able to administer its plan according to its wishes and its distinctive characteristics. That has always been denied by the federal government.

In conclusion, I should like to say today that instead of gradually improving in Ottawa, at least provides me, since I have openly declared myself for the independence of Quebec, with the best argument to the effect that instead of gradually improving in Ottawa, things are worsening. This debate provides me with the best argument to show my Quebec fellow-citizens that Ottawa is not only unwilling to understand, but that it is getting more involved in centralization, in the taking over of Quebec powers and privileges, and in the control of all the fields reserved up to now to the Quebec jurisdiction.

Mr. Speaker, this further argument will allow me to show the people of Quebec that Quebec has only one solution and only one choice to make: to become independent.

• (7:50 p.m.)

[*English*]

Mr. Reid Scott (Danforth): We have before us in this legislation what has been described as one of the most important measures to come before parliament for some time. We in the New Democratic Party have already indicated our basic agreement with the plan, subject to some reservations which were outlined earlier by our leader and which he elaborated in the debate which is to follow.

It is not my intention at this stage to go into the technical aspects of the bill. This will be done by others who will follow me. I am more interested in the change which has been made in the commencement date and the reasons advanced for such a change, together with the interesting light this casts on the sincerity of the minister, his colleagues in the cabinet and all those backbenchers who misled the country in the last election and who, by their actions now, have betrayed the promises they made.

It is unnecessary to say anything further about the need for medicare in this country. The Hall Commission adequately set out the need for this type of service. Nobody in the house has denied that there is a necessity for a plan of this kind. Some members of the Conservative opposition—it would appear from what has been said that the Conservative party is opposed to medicare—have raised the question of the cost of the scheme, and suggested we cannot have it because it will be too costly. I suggest to them that they re-read the Hall Commission report which establishes the cost of the plan, sets out the means by which it can be financed and makes the point that Canada is more than able to afford it.

Then again, Conservative critics of the bill are failing to look at the other side of the coin, which is the cost of sickness to Canada. For example, it is estimated that in 1963, the latest for which statistics are available, 100 million man days of labour were lost to our labour force through illness, with a consequent economic loss of $1,630 million or 3.8 per cent of our gross national product for one year.

All this sickness could not, of course, have been prevented by medicare, but these figures do indicate the tremendous economic loss which Canada suffers because we do not have

an adequate medicare scheme operating in this country. This is not because we have not waited for it. The party presently in office has dangled medicare before the electorate for about 47 years. And now, of course, the legislation has been brought in, but its operation has been postponed for another year.

It is interesting to learn that postponement was not supported by the Minister of National Health and Welfare (Mr. MacEachen). Indeed, with the clairvoyance which only Peter was given to possess, we were told in great detail of the anguished conversations which took place in the Chateau Laurier, of threats of resignation on all sides, of luncheons and cajoling by the Prime Minister (Mr. Pearson) and the Minister of Finance (Mr. Sharp) to persuade the Minister of National Health and Welfare not to resign.

Mr. MacEachen: Fiction.

Mr. Scott (Danforth): I thought for a moment he might be "doing a Marchand". The Minister of Manpower and Immigration (Mr. Marchand) has not resigned this week, but it is still early in the week and we may yet hear one of his weekly threats to resign because something has happened that he does not like. It is becoming boring, now, though no doubt the charade will be repeated within the next few weeks.

The reason originally given for the postponement of this scheme was that we could not have it because of inflation. This was greeted by a roar of derision from coast to coast, because it is obvious that if we are trying to deal with inflation today we add nothing by postponing a scheme on which we are not going to spend any money until next July at any event. That reason did not last very long. Indeed, as my hon. friend from Greenwood (Mr. Brewin) suggested, if we accept the philosophy of this government we will never get medicare, because when we are in a small recession we cannot have medicare because we have to get the country rolling; and now, when members opposite claim they have got the country rolling, we are apparently so prosperous that we cannot have medicare because it would damage the economy.

No matter which way you go, you cannot win with the Liberal party. I sometimes wonder just how gullible the Liberals think the people of Canada are. I notice the Minister of National Health and Welfare is smiling and nodding his head. He obviously believes they are able to absorb a great deal more of the hokum they have been getting from this government.

As I said, the reason initially given for postponement was greeted with a roar of derision from coast to coast. In a way, it is amusing, the manner in which the Liberal party has played around with this scheme over the years. But there is a more serious side to it. I am bound to think back to the period of the last election. I will not put on record all the commitments which were made but those of us who were here in 1962 and 1963 will remember the great debate we had about nuclear arms. I remember the pontifical way in which one minister after another got up to say: We must honour our commitments; the Liberal party always honours its commitments; the government is committed to nuclear arms and we must honour our commitment, above all. We heard this for days and days. It is a pathological obsession with the Liberal party that they honour their commitments—when it suits their purpose.

Well, in the last election campaign they made a pretty strong commitment. I have an article here from the Toronto *Daily Star* of September 23, 1965. The heading is: "Medicare by July 1, 1967, Hellyer tells Scarboro". The Minister of National Defence (Mr. Hellyer) was attending a meeting at which the hon. member for York-Scarborough (Mr. Stanbury) was nominated. This was a positive commitment by the hon. member for Trinity and, incidentally, the hon. member for York-Scarborough made a similar commitment. It was received, we learn, with standing ovations. Then, of course, the Prime Minister went up and down the country telling people that we would have medicare in Canada by July 1, 1967.

• (8:00 p.m.)

The then minister of national health and welfare, the hon. member for Niagara Falls (Miss LaMarsh), went so far as to say everything was fixed, there were no problems, no hurdles, that this Liberal government had cleared away all obstructions and there was no reason in the world why we could not have medicare by July 1, 1966.

An hon. Member: That was L.S.D.

Mr. Scott (Danforth): An hon. member suggests that L.S.D. was involved. I do not want to make any such allegation, but the hon. member will be speaking shortly and he can elucidate further on that particular point of view. But, Mr. Speaker, member after member after member, candidate after candidate

after candidate on behalf of the Liberal party trotted all over the country telling the people they were going to have medicare by July 1, 1967. Never was there a commitment more solemnly, more concretely made, and never was there a commitment more quickly jettisoned after the election was over.

The hon. member for Cartier (Mr. Klein) says some of us on this side of the house would be happy if medicare does not go into effect. That is the most spurious statement I have heard since the last spurious statement was made. We on this side of the house were pleading with the government before the recess last July not to recess the house but to stay on and pass the medicare bill. But they did not listen. They decided to recess and deal with it in the fall. Of course in the meantime the Minister of Finance (Mr. Sharp) got his finger into the pie and great changes took place. And as soon as the announcement was made by that minister, then of course we really had a reaction.

We heard a roar of dissent from the Liberal members themselves, and everywhere one went and talked to members of the Liberal party they were saying, "Don't worry, we are not going to accept this. We, the young Liberals; we, the people of reform; we, the aggressive reformers in the Liberal party, who are its real strength and power—we are going to go down to Ottawa and face Mr. Sharp and that bunch of rightwingers who want to kill medicare."

They told me this in Toronto. Then of course we had the famous Peterborough scene, where we had all the real reformers, the people who were going to change the face of Canada, the leftists, and they were going to tell Mr. Sharp and everybody else off, everybody who was going to kill medicare. They said they were coming to Ottawa to the big Liberal convention to reverse this.

Well, Mr. Speaker, we had the charge of the bright brigade. They came charging down to Ottawa to the great Liberal convention. And what happened? They lay down like a bunch of dead dogs and rolled over, and stared in hollow-eyed admiration while the Minister of Finance crammed his decision down their throats. And when it was over they came out and said they got what they wanted. They got it all right, Mr. Speaker, but it was not what they wanted.

At that meeting they also had that other great proponent of Liberal reform, Andrew Thompson, and his story is even more tragic.

Mr. Fairweather: Who is he?

Mr. Scott (Danforth): Is he forgotten already? He campaigned all over Ontario on this. He said this was a Liberal party commitment, and Liberals honour their commitments. He said, "I am going to head the charge of the light brigade. I am going to head off to Ottawa and reassure that the Liberal party reverses its decision." We all know what happened, Mr. Speaker. The gore was running a foot thick out of his back by the time the votes were in, and he went back to Ontario with his tail between his legs.

What I am trying to say, perhaps imperfectly, is that this is a test for all these bright young Liberal reformers who talk behind curtains month after month and tell us in the corridors, "We are the reformers, the left thinkers in this House of Commons. You are just a bunch of do-gooders over there. We are not all going to accept these decisions by the government. We are going to stand up and tell them off in caucus, and reverse these decisions that are wrong."

But what happens inside the chamber? Nobody gets up. Neither the hon. member for Hamilton East (Mr. Munro) nor my own member of parliament from York-Scarborough (Mr. Stanbury)—as a matter of fact I am one of his constituents because I live in his riding—has spoken. I am now telling my member of parliament that he broke his promise, and if he persists I might not be able to vote for him next time. We want to hear from all these reform-minded Liberals whose reform stops at the curtain.

I say to them: This is your test, you talk all the time outside the chamber, let us see you get up on your feet here and repeat the things you whisper out in the corridors. Now they tell us, "Don't worry, opposition, because we now have a commitment that will give us medicare on July 1, 1968, and this commitment we won't change. This is a firm commitment. This commitment we won't back down on. The other commitment, "which was as firm as anything could hope to be," was jettisoned because the Minister of Finance did not like it. But now the date is July 1, 1968, and you don't have to worry, because you will have it."

I suggest that the commitment for July 1, 1968, is absolutely worthless. So far as I am concerned no commitment of this government will ever again be worth anything until it is translated into legislation. Then we will believe them. But I would make a wager now

that we will not have medicare in 1968. In fact we will not have medicare by 1970, not necessarily because we cannot train people, and not because we cannot find the help. We will not have medicare because the establishment, which really rules the Liberal party of this country, does not believe in it and does not want it, and all the hot air from all the young eagle-eyed reformers is not going to change that. But we will wait and we will listen, and we will hear what happens.

We can think about the uncomfortable position of the Minister of National Health and Welfare (Mr. MacEachen). I extend him my deepest sympathy for the embarrassing position in which he finds himself. I can think back to how he introduced first reading of this bill, the eulogistic cries, the booming voice, the waving arms, introducing the greatest social measure in the history of Canada. Joy reigned supreme among the Liberal backbenchers. They thumped their desks and the house shook with the roar.

What a difference from his speech on second reading—sneaking into the house, making an apologetic, quiet restrained statement, slipping the bill before the house shamefaced and embarrassed. I can think of all the things the minister has said to us about medicare, and the firm commitment that it was going to go through. In the light of that, I think if he had any guts he would have resigned. If he had resigned he would have won the universal respect of the members of the house, and he would be well on his way to being the main contender for the leadership of his party, because he would have rallied around him all these so-called reformers.

But the minister did not do that. He swallowed the pill, and now we have this thing that is before us.

Mr. Fairweather: He would have had Andy Thompson with him.

Mr. Scott (Danforth): I am not sure that would be any great advantage at the moment.

The other minister we want to hear from is the Minister of Finance, and we are also entitled to hear from the Prime Minister (Mr. Pearson). They should come into this debate and tell us why they are betraying their commitment to the Canadian public. After all, Mr. Speaker, it was the Prime Minister who made the commitment. He was the one who told Canadians they would have medicare by July 1, 1967. It was not the Minister of National Health and Welfare who changed that; it was the Minister of Finance who changed it.

Therefore we are entitled to have both these gentlemen come into the house and explain why this change has been brought about—and I do not mean the nonsense we have heard about inflation, because the postponement is not an anti-inflationary thing. Neither do we want the story that they have to prove their good faith to the business community. The business community knows where this government stands and is not worried about that at all. We are entitled to a proper explanation why this great social change has been denied to the people of this country.

• (8:10 p.m.)

In a sense, Mr. Speaker, it is symptomatic of the Liberal party which always has posed as a party of great reform; yet, what kind of a Liberal party is it, what kind of a reform party is it when, whenever it thinks something has to be done about its so-called inflation, the two things that are affected are the national medical health scheme, and research and education aid? What a travesty of a reform party that is. But where business is concerned, that is a different matter. When they want to cut down the amount of money in the economy they let business prepay some $350 million into the treasury. And then what do they do? They do not keep it; they are only going to hold it for 18 months and give it back to business with 5 per cent interest. That is a real progressive reform-minded party.

We saw again the great Liberal party in our discussions about the automobile trade parts agreement, where dislocation was brought about by government action, and where the people who paid for that were the workers. You bled their futures to pay for dislocation brought about by government trade policies. We are seeing this in the research field, where Canada is starving for research money. It is not just money these people want in the form of salary. Our country is starved for research in almost every conceivable field, and the great reformers are urging a cut-back in the name of inflation.

I think about hospital beds. When I came here in 1962 I, and most of the population, had been pleading that the government wake up to its responsibility in the field of hospital beds. We have been pointing out that it costs approximately $30,000 to furnish a bed in our metropolitan centres, and we get $5,500 from

the province and a lousy, measly $2,000 from the federal government. The rest we have to raise by public subscription in our municipalities. The hon. member for York-Scarborough (Mr. Stanbury) well knows the desperate shortage in our area. I am sure he has made representations; I am not suggesting he has not. This is just another symptom of the phony progressive Liberal party in this country. The whole medicare thing is symptomatic of it.

Who is being asked to bear the brunt of this? Not the rich and powerful, not the wealthy, not the "haves". You are asking this of the little people, the sick, those who cannot afford help but who desperately need it. They cry out to us in letters all the time saying that they are bankrupt, and are looking to us for help and aid. These are the people on whom you are putting the screws.

As I say, it is a bitter, sad, shoddy affair from beginning to end. I know how hon. members over there like to sit, laugh and pound desks when the opposition makes a plea of this kind. I do not really expect them to have a change of heart over there because of what has been said in this debate. I do not expect that anything I say will change their views: But I want to promise that we are not going to forgive and are not going to forget your betrayal of the people of this country. You can laugh or pound your desks all you like, but we are going to go out in the country, travel the length and breadth of the country, and expose this Liberal party, this pseudo-party of reform, for the sham and facade that it really is.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am very glad to follow the hon. member for Danforth (Mr. Scott), not because I can agree with everything he said, but because I am delighted he did say it. As a matter of fact he reminded me of a very auspicious event. One night about the beginning of September, when I was driving down Peterborough, taking my boy to school, I saw very strange portents and omens. The sky had a luminous quality. There seemed to be stars which had never been there before; other stars were falling, and there was a rumbling of strange noises. I thought something indeed must have happened. Later on that night I heard on the radio that there was something unusual—a Liberal revolt. I thought, good; it is about time the Liberal party had a revolt, not only because it is some years since they had one, but because they have so much to revolt about. I thought if ever there was a chance for a political party to revolt, here was the moment. I thought, as the hon. member for Danforth (Mr. Scott) said tonight, that we would have speaker after speaker standing up expounding views on the necessity for doing something. I thought that the grass was going to overtake the brass; but we have not had it. Somewhere, somehow, there must have been a reconciliation or some strange change in the views of those who attended this historic conference.

The hon. member for Danforth spoke about the bright brigade. I suppose you could call it that, but I think the bright brigade at the Liberal convention had Sharp to the right of them and MacEachen to the left of them. This might explain the change of mind.

Mr. Speaker, I spoke extensively at the resolution stage, so my remarks tonight will be very limited. At the resolution stage I did propose an amendment which was ruled out of order. I do not intend to renew it, but I do want to mention it briefly, because I thought I made a very logical suggestion to the government at that time and they now may be able to take advantage of it. I suggested that this proposal, together with a variety of other proposals dealing with welfare and development in the country, might well be referred to the Economic Council of Canada so that there might be a careful appraisal of the economic consequences, the possibilities and the needs and so that priorities might be assessed and evaluated, and recommendations made.

Objection was taken at that time on the ground that the government cannot, of course, abdicate its responsibility. And I understand well that it cannot. But, Mr. Speaker, that was never my suggestion. It did seem to me, however, that because of the confusion, the doubt, and the obscurity which had been engendered that an objective, honest, non-political view and approach to all these matters might well be better. The result could be made known to the House of Commons and to the government. It is not that this would be accepted; quite properly of course this could not be the case, but the benefit of a study in depth of this kind could be made available so that the House of Commons, the country and the government might have the advantage of it.

This was my view. At this time, now that it appears there is going to be some serious delay between the time this bill receives second reading, is ultimately passed, and the

time the program comes into effect, I only hope that this might in fact be done so that parliament, the government, and the country might have the benefit of the views of this body. I do not agree with the Minister of Finance (Mr. Sharp), who says there is an inflationary aspect to the delay. Merely because the coming into effect of a program of this kind is going to be delayed for 20 months rather than eight months, with a possibility that the moneys which will be required to pay for this program will not be reflected in the tax structure until the year afterward cannot, I think, be accepted as a valid reason or excuse for delaying the implementation of such a program as this which parliament may ultimately pass. However, if there is to be this delay I suggest that the minister and the government might well give consideration to the proposal I made.

• (8:20 p.m.)

Some suggestion was made about the reference of this bill to a committee after second reading. I note that while the minister in response to a question said this would not be done, the Prime Minister (Mr. Pearson) this afternoon rather indicated that the bill might be referred to a committee. I have in mind however that the Prime Minister probably was not giving his attention to it and that the Minister of National Health and Welfare, in his statement that there would not be a reference to a committee, was indicating what would happen.

I felt initially that reference of the bill to a committee was desirable. It is true enough that hon. members to my left have pointed out that this issue has been discussed exhaustively be a royal commission which made a complete and detailed study, and whose report is a persuasive and enlightening document. I do not necessarily accept all that is in the report, but it certainly has made a notable contribution to the social writings and philosophy of our country. But despite that, as a matter of principle it has been my view that at no time is it possible for parliament to substitute for its judgment the judgment of a royal commission. The terms of reference of a royal commission, the evidence, report and recommendations are useful and valuable material from which we can reach our own opinions, give our own judgment and assess the negative and positive values of any particular program; but I think it must be laid down as a principle that it is quite wrong to say that merely because the matter has been considered by a royal commission which has made a report, and a good one, we must accept that report in its complete finality.

My views as to the necessity of bringing this matter before a committee have been changed since that time. We have heard in this house a statement by a responsible minister which leads me to question the virtues of the committees system, as we have been experimenting with it this year and last year. I refer to the statement made by the Minister of National Defence (Mr. Hellyer), in another context, that departmental witnesses appearing before a committee only do so with the consent of the minister, and their evidence must be limited to the views of the department in question.

Mr. Woolliams: You mean tampered with.

Mr. Baldwin: This is a serious position. This is a very grave challenge to the value and virtue of the committees system. So long as it persists, and until such time as it has been clarified and a statement made on behalf of the government, I am reluctant to waste the time of this house by referring to any committee any matter of any consequence. Surely we are entitled to have and to demand that any witness, no matter whether he be a departmental witness, a serving officer or one who has retired, must be allowed to give evidence when subpoenaed, and his evidence must be uninhibited—

Some hon. Members: Hear, hear.

Mr. Baldwin: —untrammelled and free from undue influence or pressure of any kind. Until that situation has been clarified I suggest that it is a complete waste of time for this house to refer any matter to any committee.

Mr. Woolliams: Right.

Mr. Baldwin: Some mention has been made of the Hall Commission report. As I said, I have read it almost in its entirety and I have refreshed my memory by reading it through lately. I should like to put one or two aspects of it before the minister now, so that when he comes to close this debate he can, if he sees fit, refer to them. In the first instance I would refer the minister to recommendation 194 on page 88 of the report. I think this recommendation is a very sensible and salutary one. It is as follows:

> That taxes collected by the federal government to pay for the expanded health services program be identified in such a manner as to make it clear to the taxpayer that the taxes paid cover the health service benefits made available to him.

It seems to me this is plain, simple and sensible. In the past there has been a great deal of intellectual dishonesty and economic nonsense spoken about various programs of this kind. People have been deceived and beguiled, for political purposes, into believing that they can secure certain benefits without paying any compensating cost, either the immediate and direct cost or the indirect cost which is implied in the program. In many instances it is quite likely that the people directly concerned or as a whole would have accepted the cost, knowing what the program is going to do; but I think it is only fair, proper and equitable that when the government proposes measures such as this, or any similar measure or enactment they should set out wherever possible the precise cost involved.

This is what the Hall Commission recommends. It may well be that the minister feels such a provision cannot be incorporated in the legislation. This may be a matter of budgetary consideration that the Minister on Finance (Mr. Sharp) may in due course see fit to implement. However, I draw it to the attention of the minister, and hope that before the debate is concluded he will indicate that this matter will receive the attention of the government.

The other point I wish to bring to the attention of the house has also been raised by other members, most recently by the hon. member for Lapointe (Mr. Grégoire). It appears—heaven forbid—that I must agree with the hon. member for Lapointe on this particular issue.

Some hon. Members: Oh, oh.

Mr. Baldwin: In this connection I should like to refer to recommendation 199 of the Hall Commission report:

> That a federal-provincial conference be convened within six months of the tabling of volume I of this report:
>
> (a) to initiate the necessary planning and fiscal arrangements for the co-ordinated implementation of the program as a whole;
>
> (b) to reach agreement on the implementation of the health services program we have recommended.

I think this is repeated in the very first recommendation:

> That the federal government enter into agreements with the provinces to provide grants on a fiscal need formula—

The type of agreement envisaged there is not the type of agreement involved when a highwayman pulls out a pistol, points it at his victim and says, "Stand and deliver." That is an agreement of a kind, but it is not the type of agreement the Hall Commission had in mind. The agreement referred to in this recommendation is one reached before the fact, and not after.

• (8:30 p.m.)

It is notorious that the state of federal-provincial relations in this country has reached a delicate and sensitive period. In any federal system this is always the case; but it is particularly so in Canada, having in mind that federal-provincial relations today are compounded in their difficulty by a number of other situations, notably ethnic and language difficulties. At this time, surely in the name of heaven it is incumbent upon this government to exercise the utmost caution to proceed only when agreements have in fact been reached prior to the event, particularly in an area about which there can be absolutely no doubt that the jurisdiction lies completely within the scope of the provincial governments. I suggest that to proceed the way in which the government is proceeding is akin to the situation of a bull in a china shop. It cannot fail to have the effect of inflaming and aggravating the existing problems and difficulties between some of the provinces and the federal government. It is true it might have taken a little longer, it might have taken a number of conferences—I am not in a position to know exactly what the minister or his predecessor have done—but it does seem to me that it would not have been too high a price to pay to maintain an equilibrium in our provincial federal relations to comply with the explicit recommendations of the Hall Commission. I am afraid the course has been fixed. The government is determined to proceed, and when this has been completed there will be a greater degree of disruption between some of the provinces and the federal government, a situation which we can ill afford at this particular time.

Let me conclude, Mr. Speaker, by saying that I propose to support the amendment because I think it is a sensible one. If it is passed it will compel the federal government to seek out the provinces and to secure their individual and collective agreement to a type of program which is acceptable.

I think there is no doubt that in the not too distant future an agreement will be reached which will be acceptable to all governments and to the people of this country, because there is a need and a demand for a program providing health services for the people of

this country. Second, it would compel the government to launch a program of research and training which is an absolute necessity and a condition precedent to the successful introduction, establishment and continuation of the measure which we all need and which, to a large extent, is covered by the Hall report. Finally, it would drive the government immediately—and I stress the word immediately—to turn its attention to the provision of medical health services for those people who at this time are really in urgent need of them, rather than to compel these people to wait for the stops and starts, the trials and errors as well as the political overtones which prompted the present bill and will remain with it for some time. I am supported in this last suggestion by a letter which came to my desk from the Canadian Medical Association and which indicates that a conference was to be held today with the minister and with the Prime Minister.

For all those reasons I suggest that the amendment proposed by the hon. member for Simcoe East (Mr. Rynard) is a very sensible and reasonable one, and merits the support of the members of this house.

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a few words to say in favour of this amendment. I was glad to hear from my colleague, the hon. member for Peace River (Mr. Baldwin) that the government party have now finally been recognized as a revolting party. This evening we have been accused of being opposed to the principle of medicare. That I cannot accept. I think every hon. member in this house favours the principle of medicare and we all agree that health services should be available to all, as they are now to many citizens of Canada. Of course I think that our first concern should be for those people who cannot afford medicare, and this includes many of our older citizens. Some provinces already have medical schemes in operation and others are planning to bring their own in, while still others will require financial help from the federal government to start and maintain a medical care plan. For instance, my province of Alberta has a plan in operation which I am sure compares favourably with the plan of any province in Canada. It is not a compulsory plan and it allows free choice by the individual because private plans are available at competitive premiums. This plan provides in some cases lower premiums for the needy and the older citizens.

[Mr. Baldwin.]

The federal government should not force those provinces which already have plans of their own to change them, but other provinces should be brought up to the same level of medical care. I think the federal plan should be dovetailed into the existing provincial ones.

I should like to ask the real reason why the government's medical care plan was delayed. Was the date moved ahead to curb inflation, or was the reason for its delay the shortage of doctors and related personnel and the cost of the proposed scheme? Our first concern must be for the present shortage of hospital beds and for the overworked doctors. More doctors must be provided if this scheme is to provide adequate medical care. For example, medical care has been provided in Great Britain for 20 years and yet the people there are not too happy with their national health scheme. The shortage of doctors in Great Britain has become acute. We in this country also have a shortage of doctors which is becoming more and more obvious. Recently I saw in the press that there are now many small centres without general practitioners.

Is the shortage of doctors not caused to a large extent, as it is in Great Britain, by a drain of our doctors to other countries, in our case chiefly to the United States, and also by a lack of funds for medical research? Should we aggravate this situation by bringing in a compulsory national medical scheme without adequate preparation?

If I may be permitted, Mr. Speaker, I would now like to refer to an omission in the present bill which was brought to my attention by a letter from a constituent. I will read an excerpt from the letter, which begins in this way:

> It has been brought to my attention that Bill C-227, a medical care act, discriminates against optometrists and their patients. Apparently there is also discrimination against other health professions which perform services which are also performed by physicians—
>
> It appears that if the act remains as is, our services are being included, but we as optometrists are cut out of the bill. This could seriously affect the livelihood of the 1,500 optometrists in Canada. I feel that if a service is included in the act, any practitioner who is legally and academically qualified to provide this service should be eligible to provide that service under the legislation.

He goes on to say:

> Statistics show that 65 per cent of your constituents who seek vision care, seek it from an optometrist.

There is no one else available there, Mr. Speaker. He then says:

> They would not longer have the traditional right of choice of practitioners unless they pay extra for the services of an optometrist.
>
> I feel that both optometry and ophthalmology must be included if the visual welfare of the nation is to be properly cared for.

I think this appeal deserves serious consideration.

I would also like to comment, if I may, on a statement made by the Minister of National Health and Welfare (Mr. MacEachen). I would like to read this statement but before I read it may I say that I agree with it wholeheartedly, and I think it is well said. The statement was made by the minister in a speech given by him to the Dental Association in Halifax on June 15 of this year. It reads as follows:

> Good health is a national goal and the federal government has a responsibility to initiate, encourage and support programs and safeguard the health of Canadians generally.

• (8:40 p.m.)

I agree that this is a field in which the federal government has a great responsibility; however, I would like to ask a question in connection with that statement. What example are we, as members of parliament, giving the citizens of Canada? I am speaking of the members in this chamber. What provision is made, for example, to keep our bodies trim? Surely, keeping fit enters the medical care question. I should like to ask, what facilities are provided on the hill? This is the question I have wanted to ask for a long time, Mr. Speaker. At the present time in this country we provide wonderful facilities for our school children, wonderful gymnasiums. There are many in my small city, and with this I agree heartily.

But I go on to point out that those children would exercise anyhow because in most cases they have the natural exuberance of youth. You could not hold them down if you tried. But what about our lack of facilities here? Is it due to an acute shortage of funds or to a fear of public opinion? Could we not even afford a ping-pong table to relieve some of the tensions built up by sitting for hours on end? In conclusion, Mr. Speaker, I may say I obviously intend to support the amendment, which I hope will make the bill worthy of support.

Mr. R. W. Prittie (Burnaby-Richmond): A few minutes ago, Mr. Speaker, the hon. member for Peace River (Mr. Baldwin) mentioned a letter which members have received from the Canadian Medical Association. This letter was addressed to the Prime Minister (Mr. Pearson) and copies were sent to all members. I feel the Canadian Medical Association should get an "A" for effort. In the past, they put their efforts into opposing medical care altogether. Now that the general principle of medical care insurance has been accepted in this country, they seem to be putting their efforts into making the plan as innocuous as possible. I am surprised that they still make these efforts, after all the debate that has taken place in this country and the general acceptance of it by the population. I am surprised they make these efforts in view of evidence we have had from other countries that medical care plans work very well. We hear a great deal of criticism of the United Kingdom plan. I think much of the criticism is injustified. You can turn to other countries with medical care insurance plans in effect for much longer than the United Kingdom and find those plans working very well.

Even if you ignore the experience of other countries, one finds enough evidence here in Canada that a plan with universal coverage will work very well. The Saskatchewan plan has been in operation for nearly four years. Even many of the doctors who were opposed to that plan in 1962 recognize the value of the plan today. We had an exhaustive study made of medical care by the Hall Commission, a very complete study. It would seem to me that all of the possible objections which the Canadian Medical Association and other critics could have raised were answered by that very complete report of the Hall Commission. However, in spite of all this, we still get these letters from the Canadian Medical Association asking us, in effect, to introduce something less than a complete, comprehensive plan which would cover the whole of the population.

On page 2 of their letter to the Prime Minister, the association lists seven major criticisms of the plan as outlined in Bill No. C-227. The first objection is as follows:

> That the virtual compulsion contained in the bill restricts unnecessarily the individual rights of citizens to choose the insurance best suited for their needs;

This point was dealt with by the Hall Commission. They pointed out that the plan must have universal coverage in order to give Canadian citizens the best possible medical care for the lowest possible cost. The commission is speaking of health care based on a

much wider type of coverage than is included in the private plans available in this country. For example, most plans in operation at the present time do not provide for psychiatric service. If they do, it is on a very limited basis. The Hall Commission report envisaged psychiatric coverage. This is a very important point because this can be a very expensive type of care for persons who have to receive it. The Hall Commission, therefore, did go to great lengths to explain why we had to have universal coverage.

The first objection in the letter from the Canadian Medical Association refers to the right of a citizen to choose the insurance best suited to his needs. There is a suggestion here that the private plans which are now in existence should remain in existence so that a citizen could pick and choose what he wants. This means you would have a great many insurance companies remaining in the field, and you simply could not get good health care at the lowest possible cost if you have all these companies in the field.

I should like to refer to an article which Mr. Justice Hall wrote, and which was published in the Winnipeg magazine *Canadian Dimension* for the months of March-April, 1965. I quote this from page 13:

> Why not many carriers?
>
> Now why not a multiplicity of carriers: because it would cost too much administratively. If one carrier is designated in each province, such as we felt could be done by some adjustments to the structure of Manitoba Medical, the annual saving would be in the order of approximately $180 million a year. In our opinion that was too much to pay for the luxury of having upwards of a hundred carriers in each province. It is either one carrier in each province, or all commercial carriers being recognized in each province. Otherwise, how could the selection be made? A free enterprise government in Australia rejected the use of commercial carriers because it would cost too much. The administrative costs of the hospitalization plan are approximately 5 per cent. The administrative cost of operating the Saskatchewan medicare program in 1963 was slightly less than 5 per cent. An average retention figure for acquisition costs, taxes, profits, etc. . . . by commercial carriers is approximately 27 per cent of the premium.

So, if you allow a plan to operate with a multiplicity of carriers you are going to have excessively high administrative costs. The people of Canada will not get the kind of health care they could get at the lowest possible cost. I note the point he made there that you could save $180 million, by having a single carrier in each province.

[Mr. Prittie.]

Now, point No. 2 in the Canadian Medical Association letter to the Prime Minister is as follows:

> That pressure has been exerted on provincial governments to curtail them in establishing their own health priorities, since they are required to introduce unnecessarily expensive programs when less expensive programs would suffice.

This leaves the suggestion that the type of program which would be introduced as a result of the implementation of this bill as originally drafted would be more expensive than other health plans which are now in operation. In any case, every provincial government should make health its first priority.

At a meeting which was held with the provinces to discuss this plan, it seems to me that the poorer provinces raised no particular objection. The Atlantic provinces, if I remember correctly, all agreed that they were ready to go ahead with this plan. Saskatchewan, which is in the middle ranks of the provinces so far as per capita income is concerned, has had a program in effect for several years. This leaves provinces such as Ontario, Quebec, British Columbia and Alberta which could well afford this program. I suggest the government should go ahead, as the government did ten years ago with the hospital insurance plan. They should pass the bill to make the program available. If a province is ready it can come in; and if it is not, it can wait until it is ready to do so. I suggest that if the poorest provinces in Canada are ready to go ahead, the others can well afford to pay.

Now, another point raised in the Canadian Medical Association letter listing their major objections is as follows:

> That the underlying assumption that a government authority can administer an insurance program more efficiently and more economically than private programs operating on a non-profit basis has not been established, and we doubt its validity.

I suggest to you that it has been established, and I quoted earlier the case of Manitoba Medical. I noticed just this week a press report from my own province. It is a Canadian Press dispatch from Vancouver dated October 15 and reads:

> • (8:50 p.m.)
>
> Medical Services Inc., a doctor-operated medical insurance scheme in British Columbia, announced Friday it will abandon the field of individual medical insurance because it can't compete with the B.C. government medical plan.
>
> About 7,500 individuals will be dropped from the M.S.I. plan when the change takes effect Nov. 30.

The British Columbia government did during the past two years eventually introduce a

medical care program which was particularly designed to cover those persons in the province who were not already covered by doctor-sponsored programs. Obviously this plan is cheaper than the M.S.I. plan, which is now being dropped. But it is not as low in cost as it could be if this bill were passed and the province chose to participate. However, the plan which is in effect, imperfect as it may be, goes to prove that the government-sponsored plan does operate more cheaply than the doctor-sponsored plan, which is now withdrawing from the field.

Item six of the major objections of the C.M.A. is as follows:

> That a universal program will aggravate the existing shortage of medical and other health manpower, particularly in the field of general practice. The alleviation of these acute shortages should be given first priority in spending public funds.

We have heard this a great many times before, Mr. Speaker. It is the old argument which is raised—that we are not ready to do this. I suggest to you that if the Saskatchewan government nearly 20 years ago had not taken the initiative in the field of public hospital insurance, we would not have it yet in Canada. At that time there were not enough hospitals, or doctors and nurses and still today there are not enough almost everywhere in Canada.

I suggest once again that if the same government had not taken the initiative in instituting medical care insurance, we would not be discussing this bill today. There were not enough doctors in the province at the time and there are still not enough doctors in Canada. What country does have enough doctors?

I also suggest to hon. members that we do not stop the building of schools just because there are not enough teachers. These things have to be done. We do build schools and we do spend money to train more teachers. Some teachers come into the country as immigrants, and we get along as best we can. If we wait until there are enough hospitals, doctors, nurses, radiologists, technicians and all the rest of it, we will wait forever. We must proceed with what we have.

The ratio of doctors to the population of Canada is a great deal better than in other countries in Europe that have had medical care schemes in operation for a long time. Therefore the argument that there is a shortage of medical personnel has to be rejected.

In this connection we are making some progress. A year ago the government did announce health grants for medical schools. Much more needs to be done in this field, but this part of the Hall Commission's recommendations has to be taken into account and a start must be made. Let us not use this excuse that there are not enough doctors.

I suggest to you, Mr. Speaker, that not all of the horrible things that some people have said will happen in Canada will in fact occur. It has been stated that we will lose doctors as a result of the introduction of medical care. Once more if hon. members read the report of the Hall Commission carefully they will notice there is a close relationship between the income of doctors and recruitment to the medical profession. I am not suggesting that this is the only reason people go into the medical profession, not at all; but income is certainly an important factor and doctors in Canada are among the highest paid anywhere in the world.

With a medical insurance program which insures payment to the doctors, one can expect their income to go up; and I have no doubt that there will be enough young Canadians in the future who will be ready to serve in the medical profession whether or not we have medical care. However, this sort of plan and the certainty of payment which it will bring will help recruitment to our medical colleges.

As some other members have said, Mr. Speaker, we should not at this time be debating the merits of universal medical care. We have had enough debate on this subject. Enough study has been done on the question in Canada and it has already been put into practice in one province in this country. It has also been put into practice in other countries. I suppose really the government is not debating the problem either; we are now down to the question of the implementation of such a plan.

Before I leave the question of the Canadian Medical Association I want to raise one doubt which comes into my mind. The C.M.A. purports to speak for the doctors of Canada. This seems strange to me because I have spoken to a great many physicians at different times and in different provinces. Some of them support the C.M.A. official position on medical care, but many do not. I do not know whether these doctors are silent when conventions of the association are held, but I know from my own experience that there are many doctors in Canada who do not oppose the kind of medical care insurance suggested by the Hall Commission. So I really doubt

whether the C.M.A. does speak for the whole profession when it makes these pronouncements.

In this debate we have heard a great deal about the year 1919, the year in which health insurance became a plank in the Liberal platform. The Liberal health insurance plank was born in the same year as I was. The baby born in 1919 is now getting on a little bit, has grey hairs and recently had to obtain some glasses. All the signs of physical deterioration which come about in the mid-forties are beginning to appear. In fact, I will be well over the hill, if this government is going to stay in power, before medical insurance is ever brought in in Canada. However, we can always live in hope.

An hon. Member: You won't live that long.

Mr. Prittie: Somebody says I will never live that long, Mr. Speaker, and that may be true.

There are two or three other members from whom I should like to hear before this debate is concluded, Mr. Speaker. Certainly the Prime Minister (Mr. Pearson) should speak on a matter of this importance. The subject should commend itself to him, but particularly he should take the responsibility for helping to explain why this postponement in the implementation of the bill is being made.

I also think we should hear from the Minister of Finance (Mr. Sharp) because he is the man who has told us that there are economic reasons why medical care insurance should be postponed until 1968. However, I do not accept what he has said about this because he has not explained his reasons in very much detail. Some members of his own party do not accept what he has said. I heard the hon. member for Hamilton East (Mr. Munro) on television last night and he did not seem to accept it. So I think the Minister of Finance owes us an explanation in detail, with figures to back him up, as to why medical care insurance cannot be introduced into this country at the present time for economic reasons. If he does not do this during the debate on second reading, he should give us a thorough explanation of this point during the committee stage.

Mr. Orlikow: If he does not, it will not pass.

Mr. Prittie: There is, Mr. Speaker, another member of the house from whom I should like to hear on this subject, and this is the Leader of the Opposition (Mr. Diefenbaker). It was while he was prime minister that Mr. Justice Hall and the other commissioners were appointed to make this study. When the Hall Commission report came out he praised it fulsomely. Therefore I should like to know whether the Leader of the Opposition is in full accord with the items in the amendment which has been proposed by the hon. member for Simcoe East (Mr. Rynard), because it seems to me that at least two of those items do not square with the recommendations of the Hall Commission.

I think that on a subject of this importance we should hear not only from the Prime Minister but also from the Leader of the Opposition. He is usually quite willing to give us his views on any number of subjects, and I think we should hear from him on this particular subject too, because it does seem to be in line with what he has said in the past.

The Canadian people, Mr. Speaker, have been waiting a very long time for the implementation of the type of program that is in effect in practically all other western developed countries. There is no reason why we should have to wait any longer. We are told by the government that we must wait another year, but many of us will not be satisfied to let this debate come to a close either on second reading or in committee until the Minister of Finance has appeared and given the type of explanation we are entitled to have for the delay he is responsible for imposing upon us.

• (9:00 p.m.)

Mr. Robert McCleave (Halifax): Mr. Speaker, I think I can have some sympathy for the Minister of National Health and Welfare and for his charming parliamentary secretary. As a fellow maritimer I do feel sympathy, because they fully anticipated that this season of the year would bring their moment of triumph. But, after the handling they have received from the Minister of Finance, the Minister of National Health and Welfare and his parliamentary secretary look as if they could stand some medicare themselves.

The minister sat around the Chateau Laurier in the company of misguided Canadians, who had nothing to do a few days ago, waiting for an opportunity to go front and centre, grab the football and seize the limelight, only to have it snatched away from him by the Minister of Finance. Even worse than that the Minister of Finance scored the touchdown against the Minister of National

Health and Welfare, and all the time the Minister of National Health and Welfare thought they were playing on the same team. So one can be sympathetic.

I think the explanation given for the postponement of the medical care program, which has been a political football of its own kind for almost 50 years in Canada, is a cruel jest upon the poor people of Canada. Medicare is described as inflationary; yet what is inflationary about providing medical services for those who are ill? If you examine the arguments you see either that it is improper to treat a person who is ill, gravely ill, because treatment costs too much, or you do not treat that person who is ill. If it is improper to treat a sick man because he is ill, and because treating him would be inflationary as it takes money to look after him, you are really equating the dollar in a strange and un-Christian way with human suffering that can be alleviated. It takes money to alleviate suffering. The thinking seems to be that above all we must protect our money, or we do not protect Canadians. I think the idea is nonsensical.

There is nothing inflationary about seeing that poor Canadians who look to society for help receive that help. I think most of us in the House of Commons would feel ashamed to think that we were a party to the sort of reasoning indulged in by the government of the day. Indeed we have two victims of this phony war on inflation. One is medical care, and the other is scientific research, which includes medical research. So shortsighted are our policies in this direction that by accepting the postponement and by accepting the very thesis of the argument made by the Minister of Finance (Mr. Sharp), which is aided and abetted by the government of which he is a member, we are condemning ourselves to being a second class nation in the intellectual and research fields for decades to come. This is what we are asked to be party to.

I have a letter from the Associate Professor of Medicine at Dalhousie University, Dr. John F. L. Woodbury, and he has given me permission to quote from it. I advance his arguments as my own, where he says:

> As a medical educator I am deeply concerned with the need for training and keeping teacher scientists in our medical schools. It is most disheartening to see one's colleagues leave Canada or abandon research careers in which they have invested years of training because the climate for medical research in Canada is poor.

I interject parenthetically to say that this man knows whereof he speaks. He is associate professor of medicine. To continue:

> A better climate is one of the most important considerations in increasing the number and quality of medical teachers which is, in turn, vital to produce the increased numbers of good doctors which will be demanded by a program of health insurance.
>
> It is therefore alarming to learn that the Minister of Finance has made a statement in the House of Commons on September 8th to the effect that "While the government is strongly in favour of increasing grants for research as a basic long term policy, we will have to exercise more restraint in the rate of increase this year than we had hoped would be necessary.

That is a remark made by the Minister of Finance. I do not find any of his colleagues opposite applauding, though.

The hon. member for Simcoe East (Mr. Rynard) placed on record on a previous occasion—I do not think he did this in his excellent contribution to the current debate—some of the appalling statistics that have come about because we in Canada do not take any pride in being a nation which could be an intellectual or research centre of the world. Heaven only knows, we have the wealth to do it; we could afford to put money into these fields. As the hon. member for Simcoe East said before—and he confirmed my figures a few minutes ago—our medical brain drain amounts to some 200 Canadian trained doctors per year, each educated at a cost of some $50,000 and each likely to have earned $500,000 over an average working career of 30 years.

Putting it in another way, Mr. Speaker, what does this brain drain amount to? In positive figures it amounts to a $10 million loss in the medical training that goes on in this country. That is the money spent on people who go elsewhere to practise their profession or carry on research.

In addition there is the loss of income tax. Income tax is one way by which the state can recover part of its contributions to the education of these doctors. Five hundred thousand dollars will yield a tremendous amount of income tax.

The third loss is the loss of the enhancement of the medical services we have in this country, so that instead of gaining we have to run like squirrels in a cage to remain where we are.

The fourth loss is the loss to our international pride and national prestige, coming from the recognition abroad of Canada's failure to cultivate an intellectual atmosphere.

One would say this is inexplicable: One also has to say that it is true.

In an editorial reprinted in the Fredericton *Daily Gleaner* of Saturday, October 15, the Toronto *Globe and Mail* put the matter in this way recently:

> Finance Minister Mitchell Sharp's plea for greater restraint in the rate of research grant increases as an anti-inflationary measure might lead one to believe that in the field of medicine, for example, research could fairly be regarded as a peripheral activity in the work of providing medical care and training doctors, that it is a dispensable adjunct to the main operation and can be painlessly amputated.

The Minister of Finance amputated part of the Minister of National Health and Welfare.

An hon. Member: He was decapitated.

Mr. McCleave: An hon. member suggests that he decapitated the Minister of National Health and Welfare. I think the Minister of National Health and Welfare had lost his head long before that.

• (9:10 p.m.)

The editorial quotes four men who have offered opinions on the subject recently—Dr. Louis Siminovitch, head of the division of biological research, Ontario Cancer Institute; Dr. John Armstrong, executive director of the Canadian Heart Foundation; Dr. John Evans, dean of medicine at McMaster University; and Mr. Edward Dunlop, member of the legislature for Forest Hill and executive director of the Canadian Arthritis and Rheumatism Society. The article sums up their views in this way:

> Four men who are, in their individual ways, concerned in medical research and training, give views which suggest that restraining medical research funds could be one of the most ill-conceived economies in the history of Canadian medicine, and that it could condemn Canada to at least a decade of second-class medical care.

Here are the words of one of these men —Dr. Siminovitch—as quoted in the editorial:

> If Mr. Sharpe's announcement (concerning research funds) is followed through, and means what it says, we are in danger of dealing a mortal blow to the future of medical science in this country for many years to come.

The editorial notes what we have all noted in this house, namely that government response to the Gundy report for medical research calling for large increases in such funds has been "less than breathtaking". It says:

> Partly as a result of the Gundy report, medical research grants for this year were increased by $3 million to a total of just over $12.3 million.

The report had suggested $40 million in federal grants this year rising to twice that figure by 1969-70.

The editorial ends as follows:

> The government may be thinking in terms of temporary restraints on research spending but it is clear that the results in medical education and, eventually, medical care will be anything but temporary. It is an economy Canada cannot afford.

The case for all this has been put much better and more eloquently by a man who is closer in heart and mind to the need for these things—I refer to my hon. friend from Simcoe East (Mr. Rynard). But if we continue to emphasize and re-emphasize in this house the need for medical and scientific research in this country, some day somebody will listen to us, or else there will be a change of government—God bring it about quickly—which will set the hon. member for Simcoe East in motion on these vital questions.

The third point I wish to make is one which has been made from time to time. Speakers in the debate have frequently quoted the statement of the royal commission that "the problem of visual deficiency is one of our most prevalent health defects." In other words, a lot of Canadians suffer from poor eyesight. Perhaps if this is repeated often enough even the government may get around to seeing. I present the plea which has been made by other hon. members that some consideration be given, when dealing with this medicare program, to those who are not of the medical profession. The optometrists of Canada, for example, will be the subject of my own particular remarks but I think we could also include chiropractors. I know this is a fearsome word to the medical profession, but a skilled chiropractor is more apt to send one home with a broken back kneaded into shape than is the surgeon who simply rushes for his knife and slices out whatever does not fit exactly.

The royal commission stated that the shortage of ophthalmologists and the long period of their training makes any proposal for restricting all prepaid eye care in the Health Service Eye Program to that profession wholly unrealistic. Mr. Justice Hall and his confrères are saying there are not enough medical men with training in eye care to go round in Canada, and some regard has therefore to be paid to the inclusion of optometrists in this program.

I have some figures to back up this assertion. They come to me from Bruce Wallace, an optometrist in Dartmouth with whom I have had the pleasure of jousting

on Nov. 8, 1965. He has been good enough to furnish me with material and I present his arguments as my own because I think they are sound. He points out that there are some 1,500 optometrists in Canada and only 300 opthalmologists. In Nova Scotia there are a few eye doctors, to get away from that tongue twister, who serve in Halifax and Sydney. The rest of the province has to depend on the optometrists.

Then there is the report of the Canadian Association of Optometrists—I am not reading anything new to the house; we have all received these documents in the mail, and some of us have even read them. The Canadian Association of Optometrists says the bill before us would demolish, or severely interfere with, the public's method of obtaining health services from optometrists as well as from other members of the health professions, such as dentists. Then the association adds:

> The bill makes it clear that all eye services will have to be included if the provinces are to qualify for the federal grant. This means that such services as major ocular examination, tonometry and orthoptics as listed in the schedule of fees of the Ontario Medical Association, will be included. These services are regularly provided by optometrists for their patients.
>
> Optometrists are legally and academically qualified in all provinces to perform—with the exception of such services as surgery and treatment of disease—all of the services required in the major ocular examination referred to in the Ontario Medical Association schedule. Optometrists prescribe treatment if the defect is functional, which it is approximately 95 per cent of the time. If there is indication of disease, referral is made to a medical practitioner.

I suggest that the standard is just as high among optometrists as it is among ophthalmologists, that is, the patient is given the best treatment possible and the best advice possible. So I think it behooves the Minister of National Health and Welfare (Mr. MacEachen) to take a serious look at this departure by his own government from a sound recommendation by the Hall Commission. It also occurs to me that the optometrist might charge less than the ophthalmologist. The optometrists have not presented this as part of their argument. Nevertheless the minister might be able to save a little in that direction and in a small way I think I have suggested a better method of fighting inflation than the minister has by listening to the siren screeches of the Minister of Finance (Mr. Sharp).

There are two other points I wish to make. The first concerns the question as to who should administer the program in each province. Reading the set-up proposed by the minister I was not sure whether this could include the long established stand-bys which have been operating programs in the provinces. In the case of the province from which the minister and I come, it is Maritime Medical Care.

• (9:20 p.m.)

I think it would be a pity if these privately run schemes should be brushed aside simply for the glory of the Minister of National Health and Welfare and for the sake of building up some super-bureaucracy across Canada. Over the years these people have proven their ability to come to grips with the nuts and bolts and the collecting of money for doctors involved in medical care. I hope the minister will give an assurance before this debate concludes that these privately operated associations will be allowed to carry on.

One point made by the hon. member for Simcoe East (Mr. Rynard) concerned the 90 per cent formula in the legislation, whereby at least 90 per cent of the people of a province must be covered. This is not going to be of concern in Nova Scotia. A number of years back when we adopted our hospital insurance plan, as the result of the sensible formula devised by the right hon. gentleman from Prince Albert, we had complete coverage in Nova Scotia. We still have the best hospital insurance plan in Canada and no one from any other province can stand up and deny that.

I am sure that when medicare comes into effect Nova Scotia will give 100 per cent coverage under it. In some other provinces, included in the 10 per cent who will not be covered will be a lot of unfortunates who will be in need of medicare. I speak strongly on this point because I believe it is an abandonment of responsibility to suggest that 90 per cent coverage is enough.

I have enjoyed taking part in this debate, which has been conducted on a very high level. I hope that wittingly or unwittingly my own contribution has not changed the level. I have enjoyed listening to the other speakers. I share the sentiment expressed by the last speaker that we anticipate hearing from the Minister of Finance (Mr. Sharp) and also from the Prime Minister (Mr. Pearson).

I began with a football analogy and I might as well end with one. Seeing the sweeps of the Minister of Finance around the Minister

of National Health and Welfare, it must remain for that great quarterback, the Prime Minister, to come in and get all his team pointed in the same direction, and going downfield—not downhill, Mr. Speaker—at approximately the same speed.

I support the amendment of the hon. member for Simcoe East.

[*Translation*]

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, one thing astonishes me very much in the amendment moved by the hon. member for Simcoe East (Mr. Rynard) to Bill No. C-227 on medicare insurance. First of all, it says that the bill does not provide adequately for medical research or the training of doctors and auxiliary personnel in large enough numbers.

Now, the hon. member who spoke before me sympathized with both the minister, because his bill is postponed, and the member who moved the amendment. If it is true that we are not medically ready in Canada, that we do not have enough doctors, implementation of this bill should not be postponed till 1968, but rather till 1975. As far as I know, doctors are not trained in one or two years. I think that medical studies take much longer. Thus, on the one hand, the government is blamed for postponing the implementation of that bill and, on the other hand, an amendment is moved which says in part that Canada is not ready at the present time to adopt that legislation.

Moreover, the hon. member for Lapointe (Mr. Grégoire) said a few minutes ago that the health field comes under the provincial government. I have no intention of getting into constitutional matters but there is one thing I would like to say. It is always interesting to hear experts on constitutional matters. Besides, in the last few years we have been hearing a lot about that on television and we get the impression that the constitutional aspect becomes the main problem for the citizens of the province of Quebec. I have no doubt that this problem is very important. But other problems are just as important. I am wondering if a federal member is not as concerned about the needs and problems of his electors as the provincial member for the same riding.

Mr. Speaker, in the last election we proposed to the people the same medicare plan which is submitted to the house and it might be one of the main reasons why we

secured the confidence of the electorate in several ridings.

In our midst, several people advocated in the past that family allowances be increased and we know—it is a mathematical solution—that normally a large family is more liable to need the very legislation introduced in the house by the Minister of National Health and Welfare (Mr. MacEachen).

The hon. member for Lapointe asked the Quebec members what they would do. Well, I have made my choice. I do not know if my electors will agree with me but I have chosen to vote in a humane manner, which is what he undoubtedly advocated himself during the election campaign, as did his leader. I have chosen to protect as much as possible through that legislation the citizens of my riding and I thought that if the medicare legislation was implemented in 1968, the new premier of Quebec, who asked for our help here in the house, would have more than enough time to make representations to the federal government.

In the past, we have often met with a refusal from our own provincial government. For instance, one can well remember that many family heads in the province of Quebec were deprived of unemployment insurance payments while we took a negative stand, instead of tackling the problem and discussing it. The situation was the same in the case of grants to universities and grants for the construction of the trans-Canada highway.

Mr. Speaker, I believe that the time is gone when a prime minister would say that cure for disease was health. To-day, I do not believe either that cure for disease is the constitution; however, let the experts discuss the matter between now and 1968. As for me, I wish to state that I do not fear at all to fully support the bill which is before the house, and I repeat that most Quebecers wish, I am sure, to see this legislation come into effect as soon as possible and are ready to wait for a possible discussion on the constitution.

• (9:30 p.m.)

Mr. Speaker, it is not my wish to show sympathy for the Minister of National Health and Welfare in closing, but I wish to state that I for one, was anxious to see this piece of legislation submitted to the house since it was certainly the issue of major interest for our people during the last election campaign. And I hope—this is my wish—that this bill will be passed as soon as possible, in the greatest interests of all Canadians.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I believe everyone in the house agrees as to the need for medicare. I would like to have the views of the expert on decent housing, the expert from Quebec East (Mr. Duquet), if he has anything to say on the subject. Everyone agrees upon the need for medicare, and admits it. We are told that one person out of three is unable to pay for medical treatment. This reason alone would justify the introduction of a medicare plan. But the urgency of such a plan must not lead us to forget the responsibilities and the rights of each of the participating members. We cannot ignore the rights of the provinces in this field, no more than we can ignore the priority of the provinces in the field of education. Public health, like education, is the exclusive responsibility of the provinces and, for this reason, we cannot do otherwise than recognize the fact that the piece of legislation at present before the house constitutes an infringement upon the rights and prerogatives of the provinces. This fact alone would justify immediate rejection of the legislation before us. But there are still other factors which support the objection which we may have to the bill in its present form.

Everyone knows that the present Liberal government is blackmailing the provincial governments. The present Liberal government not only trespasses in a provincial field, but takes it over and says: "Gentlemen of the provinces, here is the plan you need; this is the medicare plan which we have to offer. Take it or leave it."

Furthermore, I said that the Liberal or the central government was blackmailing the provinces. Yes, it is blackmailing them, Mr. Speaker, because it is luring them with millions which are to become theirs if they will promise to be gentle and accept the terms worked out by the Ottawa bureaucrats.

Mr. Speaker, such a situation has lasted long enough, and I think it is time we made it clear to the present ministers that they must stop this blackmail and stop treating the provinces as minors.

Mr. Speaker, less fortunate provinces certainly need assistance and this should be the starting point to determine the urgency of negotiations with the provinces.

Whoever has followed our discussions and the methods used to bring this bill before the house cannot but admit and realize that the provinces have not been consulted as they should have been.

Medicare

Mr. Speaker, as a result of Bill C-227, we are faced with an election promise made by the Liberals during the last election campaign and to prove my point, I have in hand an excerpt of the notes prepared for the speech made by the Prime Minister (Mr. Pearson) on September 21, 1965 along the same lines as the opening speech delivered by the Prime Minister at the Chateau Laurier.

On page 9 of the speech, the following can be read:

> Our aim would be to have a comprehensive medicare scheme operating in Canada for the centennial of confederation, on July 1, 1967.

Other people referred to statements made by other ministers during the last election, which is evidence that that was an election promise made by the Liberals at that time. Hence the anxiety of those who have to implement this liberal promise as soon as possible. They have broken so many others that they want to keep at least a few, even if it means encroaching on provincial rights and prerogatives.

The measure now before the house is known by all. It was a cause for dissension not only within the Liberal party, but also within the Liberal cabinet. One has simply to refer to the caucus held upon the return to Canada of the right hon. Prime Minister from his trip to England to recall that the discussions between the members of the Liberal party were heated and acrid. A caucus was demanded to ask the right hon. Prime Minister for a report and for explanations as to why the implementation of medicare was delayed for at least one year.

• (9:40 p.m.)

The discussion was also bitter and acrimonious at the convention which took place last week in the Chateau Laurier. There were rumours of the resignation of some ministers. At times, it was mentioned that the Minister of National Health and Welfare (Mr. MacEachen) would submit his resignation. It was said also that the Minister of Manpower and Immigration (Mr. Marchand) would leave the cabinet, since he was displeased with the way he had been treated. In a word, this caused an uproar and a dispute beyond words among those who, in public, show a united front as if nothing had happened.

Mr. Choquette: Are you aware that there is some division inside the Conservative party?

Mr. Ricard: Yes, but at least we do not profess hypocrisy as the Liberals do; we admit the fact, whereas the hon. member for Lotbinière (Mr. Choquette) is one of those who dress up in hypocrisy to hide some dissensions between himself and some members of his party, as always, Mr. Speaker—

Mr. Choquette: Mr. Speaker, I rise on a question of privilege, a very short one.

The hon. member uses words which are not in keeping with parliamentary tradition. There are no hypocrites on this side, the only difference being that we, Liberals, are not scared stiff of our leader, we can speak to him, because he is a great champion of democracy, which the right hon. Leader of the Opposition (Mr. Diefenbaker) is not.

Mr. Ricard: Mr. Speaker, if you find that there is a question of privilege in what the hon. member for Lotbinière has just said, you are smarter than the rest of us. This is a senseless statement, similar to those he so often utters, and you cannot make heads or tails of it.

Mr. Speaker, all those rumours about dissension have been denied, as in the past, and all interested individuals drew in their horns. To promote the weal of the party, everyone retracted what he had said before, and nobody resigned, since this could have endangered the life of the present government.

Mr. Speaker, I said a while ago that it was impossible to ignore the views and position of the provinces in the field of medicare. It is, for instance, a well-known fact that the Quebec government is now making an enquiry in that field before committing itself completely and passing legislation providing for the necessary assistance to Quebeckers.

It is important, Mr. Speaker, to take into consideration the Quebec premier's remarks because he is responsible for Quebec's future; not later than last Saturday, as can be seen in this morning's *Le Devoir,* the Quebec premier, Mr. Daniel Johnson, gave a severe warning to the federal government, stating that never, for any consideration, Quebec would allow the federal government to interfere in the field of public health and education.

Moreover, someone who held an important office in the former Quebec government, Mr. Kierans, who, I believe, would have headed the Department of Health, is of the opinion that there is now in the province of Quebec a shortage of medical practitioners and technical personnel.

Another reason why it is urgent to study this question from all angles is that many collective agreements include a medicare program to which the employer in some cases contributes 75 per cent, in others 90 or 100 per cent.

What shall we do, Mr. Speaker, with schemes already in operation and with which the workers concerned are satisfied? Shall we force these workers to spend more without getting more protection I think these workers and heads of families are now happy with their lot and would not like to see the federal government intervene in a field under provincial jurisdiction, in other words carry on with the implementation of its program, without consulting the provincial government.

When he announced that the coming into effect of Bill C-227 would be postponed for a year at least, the hon. Minister of Finance (Mr. Sharp) referred to the threat of inflation which, as he said, he wanted to check. Now, his former Quebec colleague, Mr. Kierans, formerly minister of health does not agree at all with the federal Minister of Finance, for he was saying, himself, last Saturday, at a symposium held at McGill University, that there was no relationship whatsoever between inflation and medicare.

He said Canada would perhaps be faced with a recession next year, and what guarantee have we that the government will be in a better position then to put the medicare plan into force. No, Mr. Speaker; to be frank, the best advice we can give this government is to withdraw from a field of activity that does not belong to them. The sooner they will leave to the provinces the freedom and duty to legislate in the field of public health, the better it will be.

And the richer provinces are willing to reach agreements with a view to helping the provinces that are not as well off.

The amendment moved by my hon. friend for Simcoe East (Mr. Rynard) deplores the lack of co-operation on the part of the provinces. I agree fully with him. That is why, and also because this legislation constitutes on the part of the present Liberal government further intrusion in a field of provincial jurisdiction, I shall vote for the amendment, and reserve my decision on how I will vote when the bill comes for final adoption before the house. I shall most probably not change my mind between now and then. If the bill continues to encroach upon provincial rights, I shall most likely vote against it.

I am in favour of a medicare plan, but a plan that respects the rights and prerogatives of the provinces, since this is within the realm of the provinces. And I would like to have the support of the other Liberal members for the province of Quebec so that we may convince their colleagues sitting on the treasury benches that they should leave to the Quebec government that which belongs to Quebec.

If the present Liberal government really wants to establish an harmonious relationship between the various levels of government here in Canada, they must respect the rights of others if they want others to respect their own prerogatives.

In closing, Mr. Speaker, I will repeat to the Liberal members opposite: take the same stand as you did when you were in opposition.

• (9:50 p.m.)

[*English*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, as all other hon. members have done, I want to begin with the premise that I believe sincerely in the principle of providing a medical care plan to everyone in Canada regardless of his or her ability to pay. I believe that everyone in the house is in favour of providing assistance for those in our country who are unable for one reason or another to provide for themselves and their families, particularly with medical services. I do not believe any hon. member would disagree with this principle, nor have I heard it so stated.

Therefore, Mr. Speaker, we have to examine why there is a difference of opinion on the manner in which such a plan should be put into effect. In the first place this difference is a philosophical one existing among the parties, as to whether there should be a universal plan compulsory on everyone in the country or whether there should be freedom of choice for those who wish to provide themselves with medical services insurance.

In my own view we must first provide for those who cannot support themselves, second, for those with low income, and finally for those who can provide for themselves. I do not believe it necessary to jump into a medicare plan providing for all three strata of our economy. As I will explain later, the very fact that the government has seen fit to postpone the introduction of this plan for a further year for economic reasons proves that it could be done by degrees, and that it could be done in accordance with a plan such as obtains in the province of Ontario and in two other provinces. If this were done, we could have medicare by July 1, 1967 for everyone in Canada unable to provide it for themselves.

I agree with the amendment that is now before the house—and you would rather expect me to do that, Mr. Speaker. It is not difficult to do so, however, because I support it both philosophically and politically. I wish I could look for some support for the amendment from hon. members on the government side. If there are any free enterprisers left over there they have not made themselves obvious as yet although it may be that before the debate is over someone who feels strongly about it will say so. However, as far as I can gather, any free enterprisers in the Liberal party have lost the battle and they are now marching down the road with the others and with their friends in the New Democratic Party. I do hope there are some left, even if we do not hear from them.

This amendment has been described as being against medicare. In the first days it was described in one of the newspapers as a roadblock to the present bill. I think that fundamentally medical and health services are provincial matters. Medical services, medical training and the licensing of doctors, are all provincial affairs. The provision of hospitals in which the doctors train and practise is also a provincial affair. The ancillary services such as public health units, sanitation inspection and nurses' training are also provincial affairs. The provinces now provide medical services for the aged, the ill and the indigent. Four provinces are now providing prepaid medical services under individual plans in which provision is made for free medical care for those unable to pay.

It is interesting to note, as has already been pointed out by another speaker, that in spite of the fact that the present Liberal party appears so anxious to inaugurate a medical care plan in Canada, none of the four provincial plans now in effect was brought in by a Liberal administration. I presume the federal government is trying to make up for these deficiencies. Nevertheless, fundamentally this is a provincial matter and that is where these plans should begin.

Under these circumstances it seems incomprehensible to me that the government is going ahead with this bill without the full agreement of the provincial governments. If the government wishes to consult the provinces and to see medical plans established

across the nation, it would seem reasonable for it to support each provincial plan financially. After all, these provincial plans are prepared by the elected people who are given the responsibility to bring medical care into each province of this diversified country. If the people of a province choose through their elected legislature to have one kind of a plan, why should the federal government impose another plan by the blackmail method of withholding support of those who do not submit to the plan of the government?

Finally, why do the government supporters oppose the principle of co-operation with the provinces, and the principle of immediate medical care for those who are in need, as provided in the amendment? I think that these two proposals in the amendment are worthy of consideration, and if adopted will make the passage of this bill much easier—and I say this sincerely.

If this amendment is adopted it will not kill the bill. There is plenty of time for consultation with the provinces, and there is plenty of time to put the bill on a proper basis so as to obtain the acceptance of the provinces, rather than to push it through as the government is doing now. I think the government could and should accept our amendment in good grace and say: "All right, we can accept it; it is a sensible amendment. We will consider it as our mandate to go to the provinces, and after a reasonable time we will bring the bill again before the house, after we have secured the co-operation and agreement of the provinces."

Mr. Speaker, it is now ten o'clock.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Bell (Carleton): What about the business for tomorrow?

Mr. MacEachen: The business as announced Friday will be followed tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—INQUIRY AS TO SALARY SCALE OF NAVAL LIEUTENANTS

Mr. Robert McCleave (Halifax): I understand that the Minister of National Defence is on his way again to partake of maritime hospitality. I am pleased to see the Associate Minister of National Defence here, and I may say that the tone of my remarks will be entirely different since I have nothing but admiration and respect for the Associate Minister.

The point I should like to make deals with the pay increases that were recently announced by the minister for the category of non-commissioned officers, and the lowest rank of the officer group. If I may read these figures quickly into the record in tabular form, they are as follows:

	1964	1965	1966
WO 2	$6,468	$7,512	$7,836
Lieutenant	$6,792	$7,140	$7,416

The point I wish to make is that up to the present a warrant officer 2, the highest level in the non-commissioned end of the service, used to be paid somewhat less than the lowest rank of officer. For example, in 1964 the difference was $6,468 as compared with $6,792. However, under the new pay scale, the warrant officer 2 ends up with $7,512, an amount greater instead of less than the pay received by the lieutenant, which is $7,140. Then, this differential is carried into the next year, which I have cited.

I think I should like to make two points to the associate minister, if I may, Mr. Speaker. The first is that a certain amount of vexation, a certain amount of friction is bound to arise when two people are working side by side in the relationship of n.c.o. to officer, especially when the officer is normally the man to give the orders and he is receiving less pay. The WO 2 may have greater experience or a longer service, but I think there will be friction when the officer receives somewhat less pay.

The second point is that in Canada for many years we have tended to look to the senior n.c.o.'s as the class of people from whom we took our junior officers in the armed forces. There was an incentive when the n.c.o. could look forward to promotion and an increase in pay. I know how much the minister and the associate minister have done in connection with assuring proper pay for all groups in the armed forces, and for that I compliment them. However, I point our there is now no incentive for an n.c.o. to advance to lieutenant, because he would be suffering a loss in pay. I can say that I had many calls from people on the evening the new pay scale was announced, lieutenants who were simply enraged because they suddenly found that they had dropped in the pay range as compared with WO 2's.

I think this is a very big weakness in the pay scale as announced. My final point would be that there is a danger in adopting this method of setting up two classes. First, one would go to WO 2, and there is no incentive to go any further; and the other would be a return to days which we hoped had long since gone by, when the officer class was drawn from a level of society higher than those with the humbler backgrounds, who did not have an opportunity to rise to His Majesty's or Her Majesty's commission.

This is the real danger, and I hope the Associate Minister of National Defence, in whom I have a great deal of confidence and trust, will undertake to look at the argument I have advanced here this evening.

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, I thank the hon. member who has just resumed his seat for the kind words he had for me. I must return the compliment, because he is one of the members of the opposition with whom it is most pleasant for me to work and I am sincere in saying it.

[*English*]

I have taken notice of the first question posed in the house, Mr. Speaker, and I was prepared to answer that question. However, the hon. member has now expanded it a little bit.

The prepared answer that I had ready to give relates to the question which was asked the other day, but I hope it will partly cover the subject matter which he has raised tonight. As a matter of fact, I think it does more than indicate that there is room for compromise both on the chief petty officers' side and the naval lieutenants'.

In a number of cases it is true that the pay received by a chief petty officer is greater than that of a naval lieutenant. I suggest, however, that this is not a situation which exists solely in the armed forces. I can think of many instances in business and industry where a master craftsman receives more than a junior executive.

In the case of the armed forces, a chief petty officer does not attain that rank unless he has the experience of many years of service and has achieved substantial trade qualifications. He is, if I may be permitted to make a slight comparison to industry, the master craftsman or the foreman. He has often been referred to—and I agree with this assessment—as the "backbone of the navy". He has attained the peak of his non-commissioned career.

The naval lieutenant, on the other hand, is, by and large, on the threshold of his professional career. He has received the training necessary to enable him to begin practising his profession. He has every opportunity to compete for higher rank, right up to chief of defence staff. He has the opportunity to receive far more remuneration in the long run than the chief petty officer.

In conclusion, Mr. Speaker, I would like to point out that the situation referred to by the hon. member for Halifax was in existence long before the recently announced changes in the pay structure. The new structure continues to reflect this principle and has in all probability enlarged the number of chief petty officers who can be given recognition for their trade qualifications and service experience.

From the reports being sent to national defence headquarters, this and the other aspects of the new pay structure have been most favourably received by the servicemen.

I want to repeat for the benefit of the hon. member—

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the minister but the time allotted to him has expired.

[*Translation*]

TRANSPORT—LOTBINIÈRE, QUE.—REQUEST FOR PROTECTION AT LEVEL CROSSING

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my question concerns the Minister of Transport (Mr. Pickersgill). I thank him most sincerely for the generosity he is showing by being here to answer personally.

This week he announced that an inquiry on the Dorion tragedy will be carried out by the Board of Transport Commissioners for Canada. That is undoubtedly an appropriate step.

However, I would like to make the following reservation, Mr. Speaker. I would find such an inquiry rather pointless if the citizens concerned did not appear before the board to voice their grievances and to offer solutions on the whole problem of level crossings.

If that were the case, it would be merely another of those fine inquiries whose only merit consists in providing attorneys with generous fees and which seldom results in the taking of efficient steps.

Therefore, Mr. Speaker, I urge the people to appear before the board so that ingenious ideas may be voiced in such a way that we

may once and for all settle the problem of railway crossings.

Indeed, railway crossings are a danger in themselves. That is where the principle of maximum security comes into the picture. Regardless of what happened at Dorion, some newspapers seem to have the solution. The accident may have been caused by an irresponsible act on the part of a teen-ager. Nobody knows, but it would be unfortunate if such were the case. But that does not solve the problem of level crossings.

Solutions must be proposed, Mr. Speaker, and maximum security must be ensured now, under existing conditions. There are thousands of level crossings across the country where maximum security is non-existent. I realize that heavy expenditures would be involved, but nevertheless, realist solutions must be considered.

First of all, there is an overlapping of jurisdiction when it must be decided whether or not to install a protective system. As a matter of fact, the Board of Transport Commissioners pays 80 per cent of the cost of grade separation, whereas the railway company pays 5 per cent; on the other hand, the local authority, whether the province or the municipality which is the owner of the road contiguous to the right of way, will pay up to 15 per cent. The overlapping of jurisdiction: there is a sharing of expenses which at times prevent an efficient, positive and even immediate action, when desirable. This is why this overlapping of jurisdictions should be simplified and arrangements should be made so that a single authority will decide and pay.

In the second place, the following principle must be set. Emphasis must be laid on security everywhere. In certain places, tunnels and overpasses are necessary, especially in large urban centres where trains must travel at a rather high speed, because after all the traffic of trains cannot be stopped, trains must travel at a certain speed to reach the end of their journey.

However, Mr. Speaker, in large communities, such as Dorion, for instance, regardless of the expense incurred, it is essential I think, that there should be tunnels or viaducts.

Third, in cases where there are signs only, I believe that this is not enough, no matter where the railway crossing is located, whether it be in a small locality, like Val Alain in my constituency, for instance a very small locality where four persons were caught by a train—where there are signs only, barely visible at night. Then perhaps consideration should be given to installing signal lights or, if the cost is too high, there is the system of convex mirrors which has been referred to and to which we could come back later.

• (10:10 p.m.)

That convex mirror system, Mr. Speaker, makes is possible to see the train coming from any direction. It has been studied by engineers and I have read the plan of the consulting engineers who say that its trial is worthwhile. That system is not expensive and could be used where there are signs only.

And then, Mr. Speaker, the problem of the speed of the trains should also be studied. When a train is going 80 miles an hour, there is certainly a danger no matter what small village or locality it goes through. Under the Criminal Code, a car driver who would travel at 80 or 90 miles per hour might be guilty not only of dangerous driving but probably of criminal negligence. The problem should be studied and steps taken to enforce a speed limit on all trains when they reach a railway crossing.

Therefore, Mr. Speaker, I come to the conclusion that the principle of maximum security is needed and, whatever it may cost, I think that in some places security must be increased, that the simple sign system must be abolished and either warning lights or convex mirrors set up; in short, steps must be taken to show that we care for human life. The minister has proved it and will do it again tonight because it is characteristic of the minister who is kind enough to answer me.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I should like first of all to express my appreciation and, I think, the appreciation of all hon. members in our part of the house, of the eloquence and of the persistence with which the hon. member for Lotbinière has followed up this tragic business at Dorion. I quite agree that the tragedy at Dorion, important though it was in itself, shocking though it was, is intrinsically no more important than any other accident anywhere else in which a person loses his life at a level crossing.

I can assure the hon. gentleman that if any person in this country who has any suggestion to make for dealing with any aspect of

this problem cares to write a letter to me I will undertake to see that the letter is brought before the Board of Transport Commissioners and considered fully and carefully. I do not think it is necessary to write to me, but some might feel that if this were done the letter might get more attention than if it were written direct to the board. If letters are written direct to the board I am confident they will get the same attention.

It might be pointed out that there has been a steady increase from year to year in the number of motor accidents in this country in which human beings are killed. But as far as rail crossings are concerned there has been a steady diminution in the number of persons killed in the last 10 or 12 years. I believe there were more in 1965 than in 1964; but in every other year the numbers killed and seriously injured have declined, both relatively and absolutely.

While manifestly, we are not doing everything that could be done, I think a better job is being done in preventing motor accidents at rail crossings than is being done in preventing motor accidents generally. This is some encouragement. We have spent large sums of money in this direction—about $15 million a year; and this, over 10 years, amounts to $150 million.

The Acting Speaker (Mr. Rinfret): I regret to interrupt the minister but the time allotted to him has expired.

PUBLIC SERVICE—REPRESENTATIONS RESPECTING RELIEF FOR RED CIRCLED EMPLOYEES

Hon. R. A. Bell (Carleton): The answer given by the president of the Treasury Board (Mr. Benson) to my question about red circling appearing at page 8512 of *Hansard* is so unsatisfactory and so unrealistic as to lead one to the irresistible conclusion that the cabinet, Treasury Board and the Civil Service Commission are totally out of touch with conditions existing throughout the public service. Never in my experience has resentment been so dangerous and so threatening.

Throughout the public service there is seething discontent, deep-seated anger and bitterness, with the most serious immediate and potential consequences to morale.

The president of Treasury Board in his answer last Tuesday promised a review of red circling as of December 31 of this year. That is not good enough. The time for review is now—forthwith. A total change of policy must be made at once if irreparable harm to the public service is to be avoided.

Red circling is the result of the classification review undertaken as a preliminary to the implementation of collective bargaining. The objective was the simplification of the structure of the service and a very great reduction in the number of grades and categories. Those whose existing position carries a higher category at present than under the new classification have been red-circled and thereby deprived of increases in salary. In some departments almost all employees in certain branches have been deprived of the increases they had the right reasonably to expect.

• (10:20 p.m.)

Sir, I laugh when I think that six months ago I had never heard of the expression red-circling. During the past three or four months more than two thirds of my working hours have been taken up by bitter and angry civil servants, resentful of their red-circling, and quite frankly it has become so bad that I sometimes think I never talk to anyone who is not angry.

I want to make quite clear that these civil servants are not in any way to blame for their plight. Their existing classifications were determined by the Civil Service Commission and Treasury Board, and it is these very bodies who now gaily say, "Oh yes, we were wrong when we established that category or grade for the job, but we will rectify our mistake now regardless of the detriment to you."

How the Civil Service Commission could have been so dead wrong in so many thousands of cases in past years, and now be so satisfied it is right at this time, I am at a loss to understand. But the fact is that either the Civil Service Commission has been dead wrong in an atrocious number of cases over the years or it is dead wrong now, and my opinion is that it is dead wrong now.

I reiterate that the individual civil servant, not in any way himself to blame, is being penalized for the mistake or default of the Civil Service Commission at an earlier time. Can anyone blame him for being bitter? Can anyone blame him if morale is at low water mark?

But the commission has now compounded its own errors. Allegedly to help red-circled civil servants, it has created in the various departments pools of red-circled civil servants who have priority in promotions. What

does this mean? It means simply that non-red-circled civil servants are deprived of the opportunity of promotion until red-circled employees are satisfied.

In other words, there is the rankest discrimination against all civil servants, and I emphasize "all civil servants." Non-red-circled employees are held back and refused promotion for reasons extraneous to their own merit. In my opinion this is a direct breach of the Civil Service Act by those very persons who are sworn to uphold it.

What can be done, now that the cabinet and the Civil Service Commission have created this unholy mess? The only realistic answer, I submit, is to divorce the individual incumbent from the red-circled position. Because the red-circling is not his fault, the present incumbent should enjoy all the increases and other benefits which automatically would have been his if the position had not been red-circled. When the position is next filled, its new and lesser status would become effective.

In effect this is a deferment of red-circling and no individual would suffer thereby. The present incumbent keeps his old status and all its ordinary perquisites so long as he holds the position. The new status of the position would become effective when it is next filled, and filled by ordinary promotional competition, with the competitors knowing all the facts.

So, sir, in moderate but the firmest possible words I want to submit to the government that corrective action cannot be deferred. Immediate relief should be given, and by immediate I mean in this month of October. Otherwise permanent harm will be done to a very great public service.

Classification review was started as a prerequisite to collective bargaining. If the injustices are not rectified at once, belief in collective bargaining will be destroyed generallly among civil servants, and at the same time morale in the public service, already endangered by the government's precipitate action in imposing bilingualism, will suffer a blow from which it will take years to recover.

So, I appeal to the government tonight for action now, this very week, and I say to it that the time for stalling, for evasion of governmental responsibility, is long past. I ask the minister, the cabinet and the commission to act.

Mr. J. E. Walker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the government has long been concerned with the problem of classification in the civil service, and as a prelude to the introduction of collective bargaining the Civil Service Commission, through its bureau of classification revision, undertook to bring order into the chaos that existed.

The Civil Service Commission has done an outstanding job in constant consultation with the staff associations in an effort to reduce the incidence of protective red-circling to a minimum. When the problem first appeared in July of this year the staff associations agreed to hold a series of weekly meetings with the Civil Service Commission in order to reduce as much as possible the problem associated with pay conversions.

The number originally red circled—and incidentally I dislike that term—totalled 15,800 in the administrative support and administrative categories. Through action on the part of the government, this had been reduced by October to approximately 4,500 positions. Such schemes as vacancy preference were instituted to resolve some of the problems being encountered. It was also agreed that the commission would re-examine the whole situation if red circling had not been completely eliminated by December 31. With the announcement of the conversion for the administrative and foreign service categories in September, the incidence of persons whose present pay must be protected was once more highlighted by the staff associations. At that time the staff side conference requested the commission to re-open consultations, in order to resolve the issues involved, at an earlier time.

These consultations have been taking place and I understand that certain recommendations are now in the hands of the staff at Treasury Board for analysis. The staff proposes to have the usual consultations with the staff associations, and I suggest to my hon. friend that the normal process of consultation be allowed to take place. The government is deeply concerned with the effect that the conversion program is having on employee morale in the public service, and the hon. member for Carleton (Mr. Bell) can rest assured that we will do everything possible to bring the matter to a mutually satisfactory conclusion.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, October 18, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. NUGENT—OBJECTION TO STATEMENTS BY DEFENCE MINISTER

Mr. Hellyer: Mr. Speaker—

Mr. Speaker: Order, please. Perhaps before the minister proceeds with the statement which yesterday I invited him to make, I may say that the hon. member for Edmonton-Strathcona communicated with me earlier today and mentioned that he wanted, as he should have, to indicate the motion that he proposed to move if, yesterday, a question of privilege had been declared to exist by the Chair. This does complicate things a bit for the Chair procedurally, to have no question before the house and I submit that the hon. member should be allowed to read the motion which he should have read yesterday.

Mr. Terence Nugent (Edmonton-Strathcona): May I apologize to the house, Mr. Speaker, for overlooking this motion previously. I thought Your Honour would make a ruling on the prima facie case and I awaited the call of the Chair but I should not have. I should have indicated the motion; and since the minister can comment not only on the charge but on the motion he should have heard it.

If I may read it now in order to get it before the Chair, my motion is:

That the question of privilege raised by the hon. member for Edmonton-Strathcona this day—

That refers to October 17, yesterday, and is the question of privilege found on page 8715 of *Hansard*.

—together with the charge, formally made on Wednesday, October 12, 1966, *Hansard* page 8577, against the Minister of National Defence, Hon. Paul Hellyer, be referred to the standing committee on privileges and elections to deal with and to inquire into the evidence and the witnesses before the standing committee on national defence during this session of parliament, and the practices and procedures involving witnesses, and evidence in appearances before the said committee, and in particular with regard to Admiral Landymore's appearance and evidence, and should further report on the conduct and statements of the hon. member and the minister made in connection with this matter before the house and to the press.

Mr. Speaker: I would invite the Minister of National Defence to limit his remarks to the point of the question of privilege raised by the hon. member yesterday.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, since the hon. gentleman did not make his motion yesterday, or read the intent of his motion, I am not in a position to do anything except to comment in accordance with the invitation so graciously given yesterday in respect of the narrow point which had been raised by the hon. member when he rose on a question of privilege yesterday afternoon. The matter complained of appears on page 8715 of *Hansard*. First of all I should like to quote from the Ottawa *Journal*, Saturday, October 15:

It is apparent that he has had second thoughts and is now engaged in the complete "back-off" which substantiates my contention that the charge was "spurious" designed to damage my reputation rather than to get at the facts.

The hon. member for Edmonton-Strathcona then continued:

Those are Mr. Hellyer's words. The minister was speaking about me and his statement clearly imputes an improper motive. His words are so strong as to impugn my very honour and integrity.

• (2:40 p.m.)

The operative word in the quotation attributed to me in the Ottawa *Journal* is the word "designed". The Concise Oxford Dictionary, fourth edition, gives several meanings for the word "design", including "mental" plan; scheme of attack upon; purpose (whether by accident or)".

In order to be a genuine question of privilege based upon imputing motives, the allegation would have to be that the charge was designed deliberately or knowingly by the hon. member for the purpose of damaging my reputation. The use of the word "designed" by itself indicates quite clearly that the charge could have the consequences I described accidentally, rather than deliberately or knowingly.

I stated in the house on Thursday that I imputed no motive to the hon. gentleman; neither did I in the newspaper article referred to, nor do I now. I did not intend to impugn the honour and integrity of the hon. member for Edmonton-Strathcona.

An hon. Member: Who is backing off now?

Mr. Nugent: Mr. Speaker—

Mr. Speaker: Order, please. I suggest to the hon. member that he has already made his statement. A statement has been made by the minister, and I am sure it is not the wish of the house to engage upon further prolonged debate at this time on this question.

Mr. Nugent: Mr. Speaker, it is open to me to suggest whether I accept this statement, or to bring certain matters to your attention. I think the rules do permit that.

Mr. Speaker: The hon. member is rising on a point of order now, suggesting that the rules permit him to answer the statement that has been made by the Minister of National Defence. I have some serious doubt about that, but perhaps he would speak to the point of order.

Mr. Nugent: With regard to the citation which was quoted yesterday by Your Honour as to the method of dealing with this problem, which perhaps has been alluded to only fleetingly before, where complaint is made against a member, and before being required to withdraw while the house considers the matter, he is given a chance to make a statement. I do not have the citation in May in front of me, but if some explanation or clarification is required in answer thereto, he may be heard further. I would ask Your Honour to consider—

Mr. Speaker: Would the hon. member kindly give me the citation? I can assure him that this is something entirely new to the Chair. The citation he will find in May is to the effect that the member who is accused and whose statement or conduct is being impugned—in this instance the Minister of National Defence—should be given the opportunity to make a statement, which is what has now been done. I am sure there is no suggestion in May or any precedent to the effect that after that statement has been made the hon. member who raised the matter originally should be allowed to make a second statement. Perhaps the hon. member could find for me the citation or a precedent which would justify the position he is now taking.

Mr. Nugent: The citation is in May, Mr. Speaker. Your Honour quoted last night the citation at page 143, and it follows immediately thereafter and concerns the method of dealing with these points. It says that where a member makes a statement it may be accepted by the house or he may be asked for clarification. I think it follows within one page thereafter.

I do not want to mislead Your Honour, and I do not have May in front of me, but it does seem to me that a statement is not always completely explanatory and that the house may ask for clarification of it; and I am asking for clarification of it from the minister.

Mr. Speaker: The hon. member rose on a point of order claiming that there is a precedent or a citation which he can bring forward in support of his claim that he should be allowed to make some clarification of the statement made by the minister. I have May in front of me; the hon. member can obtain the book from the table. The hon. member said that within one page of the citation that was quoted yesterday there is such a statement. I have the book before me, but I certainly cannot find anything here to justify the claim made by the hon. member for Edmonton-Strathcona.

Far from trying to limit the hon. member in his contention that he should be allowed to speak a second time on the question he has raised, I think he will admit and all hon. members of the house will agree that I have been as lenient as possible.

Mr. Nugent: On a point of order, I have not asked to speak a second time on the point I raised. I asked to speak once on the explanation raised by the minister.

Mr. Speaker: The advice I have received is that there is no precedent to justify the position the hon. member seeks to take now. I have looked at the citations. I am advised from the table that there is nothing to support the contention advanced by the hon. member for Edmonton-Strathcona, and I must take my responsibilities and face the situation as it is.

The hon. member yesterday raised a very limited question of privilege. It had nothing to do with that general motion which he seeks to move at this time and which I suggest to him far exceeds the very limited signification of the point he raised yesterday. The hon. member suggested that the Minister of National Defence had used words outside the house which impugned the very honour and integrity of the hon. member for Edmonton-Strathcona. I have studied those words. I have looked into the matter. I can

assure the hon. member that since yesterday I have given a great deal of thought to it. I have looked at precedents. I have looked at the rules. I have considered every possible aspect of this matter. I find the difficulty is that the words, as spoken by the minister, were uttered outside the house.

Mr. Nugent: He has not backed off them. He must be taken to adopt them.

Some hon. Members: Oh, oh.

Hon. E. D. Fulton (Kamloops): I do not know whether Your Honour is prepared to hear argument on what I suggest is the question before you, which is whether there is a prima facie question of privilege. As I understand it there are two things which Your Honour has to decide; first of all, does this motion involve a prima facie question of privilege, and second, is it raised at the earliest possible moment? It seems to me we are now at the point where the question is, whether Your Honour will hear submissions on either or both these points before making a ruling. It would be my submission that it is in order for hon. members to address themselves to that point entirely to assist Your Honour.

Mr. Speaker: If the hon. member thinks he has a question of order I will certainly allow him to speak on the point of order which he seeks to raise at this time. An alleged question of privilege was raised yesterday. The minister was allowed to make a statement. The hon. member has suggested that he should be allowed to speak on the point of order, and I will hear him.

Mr. Fulton: The only point to which I should like to address myself briefly is the one upon which I understand you are now required to make a ruling, namely whether the motion now presented by the hon. member for Edmonton-Strathcona does involve a question of privilege and whether, if so, it has been raised at the earliest possible moment in order for the question of privilege to be taken under consideration at this time.

As I understand the rules of the house they are that if, in fact, what has been raised by way of this motion does involve a question of privilege, that question must be taken under consideration and given precedence over other questions in the house. This is the point to which I should like to address myself.

If I understand Your Honour's difficulty correctly, it is, first, whether the motion today presented by the hon. member for Edmonton-Strathcona on the face of it goes beyond the question of privilege which he raised yesterday and which surely and admittedly was raised at the first possible moment, namely on the Monday following the Saturday when the article appeared in the press; and second, whether, if the point does go on the face of it beyond the subject matter of the question of privilege raised yesterday, it can refer back to the earlier charge of tampering with evidence.

• (2:50 p.m.)

Here I should like to draw Your Honour's attention to the fact that in his press statement reported in Saturday's *Journal* the Minister of National Defence said the charge made by the hon. member for Edmonton-Strathcona in that respect was spurious, the charge made that the minister tampered with evidence or with witnesses. If then, the allegation by the minister that the charge is spurious does involve a question of privilege, as I submit it does, then it cannot be considered in isolation from the earlier charge made by the hon. member for Edmonton-Strathcona.

I submit that the minister's reply today does not dispose of the question of privilege. He referred to the question of the implication of the word "designed". In my submission that is not the question at all. What the minister said on Saturday was that the charges made by the hon. member for Edmonton-Strathcona were "spurious" and were designed to blacken his reputation. This, I submit, is a reflection upon the motives, the conduct, the very purpose of the hon. member and as such raises a question of privilege.

It follows, therefore, that the member for Edmonton-Strathcona was right in raising this matter and bringing it before the house yesterday. Today he has founded a motion upon that question of privilege. That motion necessarily goes back to the charges which he himself made earlier and which are now alleged to be spurious, something which in itself, I suggest, involves the whole question of privilege.

I submit that the hon. member for Edmonton-Strathcona, having now put forward a motion for reference to the committee on privileges has, substantially, two points; first, that the word "spurious" and the press comments of the minister involve a question of privilege reflecting on himself; and second,

that the matter must necessarily embrace the whole question of tampering with evidence which is the charge now alleged to be spurious. The word itself cannot be dealt with in isolation from the subject of the charge to which it refers.

Since this is now the subject of a formal motion before the house, the hon. member has complied with the requirements; he must raise with you, sir, a matter involving privilege in order that you may apply the rules of the house which recognize the importance of taking such question under consideration at once.

If you find that there is a prima facie case of privilege involved and that therefore, notwithstanding the statement or explanation of the minister, this motion should go, as suggested, to the committee on privileges and elections—and I submit with respect that I do not see how Your Honour could find otherwise than that there is a prima facie case of privilege raised here—then, I submit, this matter having been raised yesterday at the earliest possible moment, the motion should be taken into consideration now by the house.

Mr. Nugent: May I speak to the point of order? I should like to ask Your Honour to clarify a ruling which you made last Thursday when I raised a similar question of privilege. The minister rose at that time and without withdrawing his remarks made certain statements difficult to comprehend, after which Your Honour felt and ruled that he was not imputing motives in my case going beyond my duty as a member of this house.

The substance of my argument on the question of privilege which I submitted yesterday was that the statement he made, and to which I objected yesterday, went beyond the simple statement that my allegations were spurious, which tied in the whole course of conduct with this case and made it such that the sole point of making that statement was to impute a motive.

I therefore suggested to you, sir, that it is no more a case of the possibility of the minister explaining it away or withdrawing. I would point out to Your Honour that I listened very carefully to the minister today, and while he gave us a lesson which showed that apparently he is able to look in a dictionary and read the meanings of words, there was nothing that could be accepted by any member of the house as an explanation of why he made the statements, never mind a suggestion that he was not imputing motives. As a matter of fact I suggest to you that his statement today was so carefully made that no one could accuse him of withdrawing a word of his original statements that would impute a motive.

[Mr. Fulton.]

Therefore, Mr. Speaker, I suggest I need a clarification of your statement on this point with regard to the motion. Your first point, if your ruling is as I remember it and as I read it in *Hansard*, is that there is no question of privilege unless a motive is imputed; and since it is so very obvious here—and the minister has not denied imputing a motive—I must take it from your ruling that where a motive is imputed then I have a prima facie case of privilege, and I suggest the situation is very clear.

I do not want to bother the house every day with this, but the situation is very simple. The minister has been formally charged, and stands charged now, and he is the one member who blocked a review of the facts to determine whether he was guilty or not. I say that he brought a base and scurrilous attack against me last week—

Mr. Speaker: Order.

Mr. Nugent: —and the Chair has allowed him to do it again.

Mr. Speaker: Order, please. I wonder if the hon. member is speaking to the point of order?

Mr. Nugent: I am, sir. The point is that last Thursday on an explanation that was not satisfactory to me—but it is the Chair that must be satisfied—the Chair on that occasion was satisfied that apparently no motive was imputed. I am certain that Your Honour could not be so satisfied with the words spoken by the minister today. There was no suggestion by the minister that he was not imputing a motive, and I suggest that if a man in his position does not have the honour to try to clear his name of very serious charges in this house, and goes on to make these scandalous and scurrilous attacks on me—

Mr. Speaker: Order. Again I do not want to interrupt the hon. member, but will he please resume his seat. I am sure the hon. member for Edmonton-Strathcona will agree that he has been given every opportunity on a number of successive days to make the statements he wanted to make. On each day I have considered them as objectively as possible, and I am prepared to do so again today. But

the hon. member is now, I understand, speaking to a point of order, and he knows what a point of order is. It cannot be a substantial speech, and he should limit his comments strictly to the point of order.

Mr. Nugent: Mr. Speaker, I will. I am sorry; I got a little carried away. This is not a personal quarrel between myself and the minister. What is at stake here is a very serious breach of the rules of the house. What is at stake is the standard of honour and integrity that should prevail in the house.

If a member is to make a charge—and that is why the rules are so specific—he must stand on his feet and make the charge and take his responsibility, which is what I have done. But I think there is a corresponding responsibility that if another member is going to make remarks about me he must take responsibility for them; and certainly the standard of integrity of this house is such that where there is a difference such as in this case, then we have a duty to the house, to the honour, integrity and high standards of parliament, to search everywhere to find a way by which the matter can be inquired into and a proper finding made as to who is abusing the privilege of the house.

Not only that, Mr. Speaker, but a look at the motion I have drafted and brought before the house will indicate that it is a very deep, very important question. The remarks of the minister as to his powers and authority in briefing witnesses are certainly something that affects the very working of parliament and in this connection I would only bring to Your Honour's attention the way in which the hon. member for Burnaby-Coquitlam (Mr. Douglas), when there was a suggestion of irregularity in his election, immediately jumped to his feet and asked the house for an inquiry—and got it, sir.

• (3:00 p.m.)

I suggest that certainly when the matter is as serious as the entire existence of our committee system, its effectiveness, what may be made available to it, and the question of the responsibilities of ministers to bring forward all the facts, in view of the remarks made by the minister all I am asking this house is, that these very serious charges I have made in the only proper way be investigated and pursued so the minister's case can be cleared, or otherwise. In the name of the honour and integrity of this house these spurious charges cannot be allowed to stand. Otherwise there is no way we can bring about an investigation to defend one hon. member or another.

Mr. Speaker: I thank hon. members for their assistance in enlightening the Chair on the point of order. I thank the Minister of National Defence for his ready acceptance of the suggestion I made yesterday to say a few words in explanation of the statement he is alleged to have made against the hon. member for Edmonton-Strathcona.

As has been pointed out by the hon. member for Kamloops there are two points before the Chair at the moment. One—and it is not an easy point for the Chair to decide—is whether the motion presented today by the hon. member for Edmonton-Strathcona follows upon the question of privilege which he raised yesterday. I think in fairness to the Chair it should be pointed out that no motion was moved yesterday, and that today the hon. member for Edmonton-Strathcona presented a motion which he submitted to the Chair. In my mind, looking at it very objectively, it certainly goes considerably beyond the scope of the limited question of privilege raised by the hon. member. This is the essence or purport of the words or the thought I was trying to express a moment ago before the point of order was raised by the hon. member for Kamloops.

Obviously, to my mind, this proposed motion is not limited to the point of privilege raised by the hon. member for Edmonton-Strathcona. It seems to revive a point on which there already has been a ruling by the Chair. In looking at it, obviously it is the type of motion which the hon. member might have wished to move as a substantive motion, the type of motion which I suggested to the hon. member for Edmonton-Strathcona he should have given some thought to last week and should not submit it to the Chair to accept as a privileged motion, and also suggesting to him that this is a matter of substance.

His motion actually is a motion of substance; but this is the second point. His argument would have to be considered and would be particularly relevant if I had ruled there was a prima facie case of privilege. The hon. member said that because I referred to the question of motive the other day, I must conclude that the moment there is an imputation of motive there is automatically a question of privilege. I suggest to him that is drawing a rather wide conclusion. It is a very

generous interpretation of the words I used the other day when I was trying to give a ruling.

The minister is reported as having said that a charge against him is spurious and designed to damage his reputation. The hon. member for Edmonton-Strathcona argued that the minister's statement imputed an improper motive and concluded that his honour and integrity have been impugned. As I also mentioned a moment ago, if the statement of the Minister of National Defence had been uttered in the house in the course of debate and the hon. member for Edmonton-Strathcona had risen on a question of privilege to claim that these words were unparliamentary and that the minister was imputing motives—well, this is done regularly, and the Chair would have intervened, I suggest, and would have brought to the attention of the minister that he has no right to impute motives. The minister would have been given an opportunity to explain. Whether it should be explained to the satisfaction of the member complaining is another thing.

If this statement had been uttered in the course of debate and the members offended had not been satisfied by the explanation given by the member, I wonder whether he would have considered it a question of privilege sufficient to send to the committee on privileges and elections the conduct of the member who uttered the words which allegedly offended another member of the house.

What we have to determine, I submit, is the seriousness of the alleged offence in order to decide whether there is a question of privilege. The hon. member said that the statement made by the Minister of National Defence impugned his very honour and integrity. I have some doubt about this. I suggest to the hon. member that this is really the whole point; do the words spoken by the Minister of National Defence in fact carry such a serious import or serious connotation that the very honour and integrity of the hon. member for Edmonton-Strathcona is impugned, or that his integrity and his honour have been placed in question. He may feel they have, and some hon. members may feel his honour and integrity have been placed in jeopardy. But it is the judgment of the Chair that has to be considered, and I must say that in my judgment the minister's words—in spite of the fact that the hon. member may have been aggrieved, in spite of the fact that he may have a very serious grievance against the minister for the words which were spoken as reported in the Ottawa *Journal*—did not impute an offence to him.

[Mr. Speaker.]

I suggest the offence is not so serious that it could be considered by this house as impugning the integrity and honesty of the hon. member for Edmonton-Strathcona to the extent that the Minister of National Defence should be asked to explain his conduct and his words before the committee on privileges and elections. I understand from precedents that it is only on very rare occasions that words spoken either in debate or outside the house by a member of this honourable house were investigated by the committee on privileges and elections. I understand this may have happened only perhaps two or three times in some 20 or 25 years.

In all objectivity and in all fairness to the hon. member for Edmonton-Strathcona, to the minister, and to members of this house I have looked at this matter, and to the best of my conscience I cannot see that these are words—recognizing the prima facie case of privilege—such as would justify sending the matter to the committee on privileges and elections. With regret for the hon. member for Edmonton-Strathcona, and in full appreciation of his difficult position, I must rule accordingly.

Mr. Nugent: Mr. Speaker, I rise on a question of privilege arising out of what you said regarding the motion. I apologize to the Chair for not having presented the motion. There might be some suggestion that I had not been ready, and I should like to ask Your Honour to remember that last Wednesday when I gave the notice of the question of privilege I presented to you at that time a motion which I intended to move. I did the same thing on Thursday. On neither occasion was I asked to move a motion though I had one ready. I should like to make clear that at all times I had a motion ready and was waiting only for the prima facie case to be established first.

Mr. Speaker: I sustain the hon. member on this point. When he came to see me shortly before 2.30 to bring me the motion I did indicate to him that I recognized he had not been invited to make a motion. Perhaps we were both at fault. If it has caused any embarrassment to him, I apologize. It becomes theoretical, however, because even if the motion had been made I would have had to rule against it unless I considered there was a prima facie case of privilege.

• (3:10 p.m.)

Mr. Churchill: I should like to rise on a point of order.

Mr. Nugent: Mr. Speaker, in fairness to the house I should like to refer to the point raised by the house leader the other day when I mentioned some things in respect of Admiral Landymore's affidavits. Let me make it plain to the house that if hon. members wish the affidavits and attached exhibits tabled, I am prepared to do so. I did not originally offer to do so, but if any member has any question in his mind as to the validity of what I have said I shall do so today.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to rise on a point of order for the purpose of obtaining some assistance from the Chair to clarify matters of privilege. It has been my understanding up to this time that when a matter of privilege is raised in this house Mr. Speaker makes a ruling as to whether it is in fact a matter of privilege. If the Chair rules that it is, it may be followed by a motion to be dealt with immediately or referred to a committee.

We seem now to have reached a different situation, and this is where I wish some guidance, as a result of suggestions made in this house last week on a matter of privilege presented by the hon. member for Edmonton-Strathcona. Today the hon. member for Edmonton-Strathcona has strengthened his matter of privilege with a motion. That having been done, apparently the house is not to be given the privilege of deciding whether that motion is acceptable. We now have a ruling to the effect that there is no matter of privilege and, therefore, the motion is superfluous. I should like to know why there was a request last week that a motion be presented. Perhaps we should have some guidance for future matters of privilege that may be raised.

Mr. Speaker: The hon. member is asking an abstract question. I do not believe the Chair should at any time be placed in a position of having to advise an hon. member as to what should be done in any instance, or what ruling will be made. Certainly I do not wish to enter into an argument with the hon. member who has had infinitely more experience than I. I respect the point he is trying to make, but the decision I have made is based particularly on the authority contained in a statement made in this house by Mr. Speaker Macnaughton as reported on page 4141 of *Hansard* of June 10, 1964, as follows:

> I suggest that hon. members in future when raising questions of privilege, such as those raised last Thursday, should at the very beginning of their speech advise the Speaker that at the end of their statement they will conclude with a motion so that, if such a matter is found to be a prima facie case of breach of privilege and also if it has been raised at the earliest opportunity, the house may deal with it according to the rules and the recognized practice.

That is my understanding of the rules and practice. I shall certainly look into the matter further in an attempt to buttress my position with further precedents, and if a question of privilege is raised at any time in the future I will perhaps be in a stronger position to support the stand I have now taken.

COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS—CONCURRENCE IN ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Joseph Macaluso (Hamilton West) presented the eleventh report of the standing committee on transport and communications, and moved that the report be concurred in.

Motion agreed to.

JUSTICE AND LEGAL AFFAIRS

Third report of standing committee on justice and legal affairs—Mr. Cameron (High Park).

[*Translation*]

PRIVATE BILL

REFERENCE OF PETITION TO COMMITTEE ON STANDING ORDERS

Mr. Patrick T. Asselin (Richmond-Wolfe): Mr. Speaker, I move, seconded by the hon. member for Lincoln (Mr. McNulty) that:

> The petition of the Bell Telephone Company of Canada, for a bill to amend its incorporation act, filed after the time limit provided under standing order 93 be referred to the standing committee on standing orders, together with the 17th report made thereon by the clerk of petitions and presented to the house on Monday, October 17, 1966 so that the committee might consider making such recommendations as may be deemed advisable.

[*English*]

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Peters: Without prejudice.

Motion agreed to.

Inquiries of the Ministry

NATIONAL DEFENCE

REQUEST FOR TABLING OF ORIGINAL EVIDENCE BY ADMIRAL LANDYMORE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the allegations placed befor the house by the hon. member for Edmonton-Strathcona regarding certain excisions, alterations and substitutions in respect of the evidence which Admiral Landymore was to present, which took place while it was in the possession of the minister's office, will he now table the evidence that Admiral Landymore intended to give which was placed before the minister, and the final evidence which the committee had before it following the deletion of certain pages and the substitution of innocuous ones?

Mr. Speaker: Order, please. I take the liberty to bring to the attention of the right hon. Leader of the Opposition that there is a motion for production of these papers which appears on today's order paper.

Mr. Diefenbaker: Mr. Speaker, may I say with great respect that this cannot interfere with the right to ask a question. Surely this house will not be denied the opportunity of learning whether this minister or anyone connected with him induced an admiral to alter his evidence.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of National Defence. In view of the fact that there will be a shortage of 1,500 men required to man the remaining ships of the Canadian navy if all the older destroyers and frigates are disposed of, why did the minister refuse to let Admiral Landymore give that evidence to the committee on defence?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, there are too many allegations in that question for it to be dealt with on orders of the day, but if the hon. gentleman would check some of the information I gave at a press conference very shortly after—

Mr. Horner: Can we believe the hon. member's information?

Mr. Hellyer:—he would be more up to date than he is.

[Mr. Peters.]

Mr. Diefenbaker: What information did the admiral give?

Mr. Bell (Saint John-Albert): What did you tell the women's association on Saturday?

Mr. Churchill: The statement I read was from Admiral Landymore's testimony which the minister refused to let appear before the committee. I ask the minister whether he is now stating in the house that the submission Admiral Landymore intended to give to that committee was wrong.

Mr. Hellyer: I do not so contend, Mr. Speaker. As a matter of fact the situation is difficult, just how difficult will be determined in the intervening months. However, I personally stated at the press conference to which I referred earlier that there was a shortage of 1,500 personnel. The admiral, in his evidence to the committee, stated there was a desperate shortage but that how many ships will be manned next year will depend on what will happen in the intervening months. On my trip to Halifax recently I was assured by the commander that every effort would be made to find from the available manpower pools people to man the ships next year, and we are hopeful we can man them all. I am not saying we will be able to, but we will be making every effort to do so next year.

Mr. Lambert: Does the minister agree this is desirable?

Mr. Churchill: I have another supplementary, Mr. Speaker. May I ask the minister the following question: Is it not right that by May 1967 we will be able to man only 13 or 14 of the total of 23 destroyers and have those 13 or 14 in full commission?

Mr. Hellyer: Mr. Speaker, I think it is the wrong time for a question of that kind, but I certainly think that forecast will prove to be very pessimistic.

Mr. Churchill: Why did the minister not permit that information to go before the committee on defence?

Mr. Diefenbaker: Why did he delete it?

Mr. Terence Nugent (Edmonton-Strathcona): On a supplementary question, Mr. Speaker; in view of the fact that the Minister of National Defence just admitted that Admiral Landymore said the shortage of manpower was desperate, would the minister care to explain to the house why he was so

desperately anxious that this should not be revealed to the committee and therefore no such statement was allowed to appear in the brief submitted to that committee?

Mr. Hellyer: Mr. Speaker, I was not desparately anxious, and as I will explain to the committee on defence when it meets—

Mr. Speaker: Order, please. I think that question is clearly argumentative.

PUBLIC SERVICE

POSTAL WORKERS—REQUEST FOR ESTABLISHMENT OF CONCILIATION BOARD

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the right hon. Prime Minister. In view of the imminent threat of a strike by the postal workers and the serious consequences which would follow from such an event, may I ask the Prime Minister whether the government would consider setting up a conciliation board to investigate the wage demands of the postal workers, assess their wages to comparable posts in industry, and report on what they would consider to be the basis of a fair and reasonable wage settlement?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there are certain processes of law that have to be followed in connection with matters concerning civil servants and public officials in disputes of this kind. Those processes are being followed at the present time. Whether any exceptional procedures are required in a matter of this importance is now under consideration by the government.

Mr. Douglas: I have a supplementary question, Mr. Speaker. In view of the fact that the Civil Service Commission is a government agency, and may not have the information with respect to wages paid in industry for comparable types of work, would the Prime Minister not think that the setting up of a conciliation board might be of considerable assistance to the Treasury Board in resolving this problem?

Mr. Pearson: In the first case I do not think my hon. friend is accurate in referring to the Civil Service Commission as a government agency. Second, I just told him we are taking this matter under consideration at the present time.

Mr. R. Gordon L. Fairweather (Royal): On a supplementary, Mr. Speaker, I wonder whether the Prime Minister would give us a firm assurance that there will be no interruption in the mail service in this country.

Mr. Pearson: Mr. Speaker, I hope there will be no such interruption.

Mr. Reid Scott (Danforth): I have a supplementary question, Mr. Speaker. In view of the statement reported today by the Postal Trades Unions Council that unless the decision of the Civil Service Commission is reviewed there will be a strike shortly after November 5, can the Prime Minister or the Postmaster General tell the house what action this government proposes to take so that we will not sit idle until the crisis is upon us?

Mr. Pearson: Mr. Speaker, the hon. gentleman knows that it would be quite improper at this stage of the proceedings to give an answer to a question of that kind without doing a great deal of damage to the negotiations that are now taking place.

[*Translation*]

AGRICULTURE

BUTTER—PROSPECTIVE IMPORTS FOR DOMESTIC CONSUMPTION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can he tell us whether he anticipates imports of butter for Canadian consumption during 1966-67? If so, can he tell us how extensive those imports will be?

Mr. Speaker: I suggest to the hon. member that this question might be placed on the order paper.

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the situation existing in the Middle East at present and described yesterday in the United Nations as a fragile state of peace, and the statement this morning or late last night by the prime minister of Israel that retaliatory action will be taken against sabotage by Syrian forces, does the minister have any statement which he could make to the house in regard to this situation?

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this matter is now before the security council. I would hope that the discussions taking place there will serve to bring a moderating influence in the Middle East.

HATE LITERATURE

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Prime Minister. In view of the promise he made that legislation on hate literature will be brought down during this part of the session, can he tell us whether this legislation will be brought down now in view of its importance?

Right Hon. L. B. Pearson (Prime Minister): I do not recall saying it would be brought down in this part of the session, but we are studying this matter and we do hope to bring forward legislation which will deal effectively with this matter as soon as that can be done.

Mr. Starr: On a supplementary, Mr. Speaker, in view of the importance of this legislation can the Prime Minister say how long it will take to study it?

Mr. Pearson: No, Mr. Speaker. To some extent it will depend on how long it will take to deal with the legislation we are now considering.

Mr. Starr: I have another supplementary, Mr. Speaker. In view of the fact that the Prime Minister avoided answering my question, will he say when this legislation will be placed on the order paper?

Mr. Pearson: Mr. Speaker, it will be placed on the order paper as quickly as possible. I hope my hon. friend will co-operate so as to make that even quicker than possible.

Mr. Diefenbaker: A supplementary, Mr. Speaker. Is it expected that this legislation also will come into effect on July 1, 1968?

LABOUR CONDITIONS

MALTON, ONTARIO—LAY-OFFS AT DOUGLAS AIRCRAFT PLANT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, last Thursday I asked the Minister of Manpower and Immigration a question relating to certain lay-offs by Douglas Aircraft at Malton. On Friday the minister gave a partial explanation and indicated he was seeking to obtain more information regarding the lay-off of some 80 odd employees by Douglas Aircraft. At the same time certain other things happened.

Does the minister now have any further information about that lay-off, and particularly any comments as to steps to be taken to relocate the people affected?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, arrangements have been made whereby a committee composed of officials of the company, representatives of the provincial government departments concerned and a representative of this department has been formed to examine the full record of experience of the people being laid off as well as the experience record of the immigrants who are expected on October 25, with a view to absorbing both groups of affected employees elsewhere in the labour force. Qualifications, rates of pay and conditions of work will dictate the most appropriate course of action that can be followed under these unfortunate circumstances. Local 112 of the United Automobile Workers has been kept informed of the action that is being taken.

Mr. Lewis: May I ask a supplementary question. Reports have suggested that there were certain cut-backs in the operation of Douglas Aircraft because of certain events in the United States. Can the minister inform the house whether these cutbacks are permanent or merely temporary, and if they are only temporary is there any way of keeping these 80-odd people on the work force pending better circumstances?

Mr. Marchand: I do not know if they are permanent or temporary. I know that Douglas Aircraft cannot obtain certain parts from the United States and for this reason had to curtail production, but for how long I do not know.

Hon. Michael Starr (Ontario): May I ask a supplementary question. When application was made for admission to Canada of some 80 assemblers and 20 machinists by Douglas Aircraft, was the minister aware at the time that there were going to be lay-offs for some 89 assemblers and these people from Great Britain were to replace them on the jobs?

Mr. Marchand: No, Mr. Speaker, I was not aware and I have no indication that the company was aware of the situation either.

Mr. A. D. Hales (Wellington South): I should like to address this question to the minister. He has just explained the unique and complete system under which arrangements are being made for people laid off by Douglas Aircraft. Is he giving consideration to doing the same thing for the 3,000 people who were laid off in the car industry, particularly in Oshawa?

Mr. Marchand: Definitely yes, Mr. Speaker.

[*Translation*]

WINTER WORKS

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. J. Russell Keays (Gaspé): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

I may have overlooked some information, but I would like to know whether the minister intends to make a statement in the house concerning winter works for 1966-67?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, that has already been done more than a month ago.

[*English*]

VETERANS AFFAIRS

REQUEST FOR TABLING OF REPORT—INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct my question to the Minister of Veterans Affairs. Is it the intention of the minister to table the report of Mr. Justice Wood so the house can ascertain the nature of the recommendations contained therein? May I ask a related question? Is it the minister's intention to bring in veterans legislation before the end of the current year?

Hon. Roger Teillet (Minister of Veterans Affairs): In answer to the first part of the question, Mr. Speaker, I may say I have not yet received the report. This matter will be considered when the report is at hand.

In answer to the second part of the question, it is not intended that legislation, beyond those amendments dealing with pension rates and war veterans allowances, will be introduced before the end of the year.

Mr. J. N. Ormiston (Melville): May I ask a supplementary question? Can the minister tell us when the veterans affairs committee will be called together to evaluate the wealth of information which was recently acquired, and which would assist the committee in making recommendations to the minister to improve the Pensions Act?

Mr. Teillet: As the hon. gentleman knows, this is a matter for the committee itself. Certainly I would welcome an opportunity to have the committee discuss the results of the work during the course of the summer. I think it would be helpful to the public and to veterans. I hope an occasion could be found shortly to convene that committee, but that is in the hands of the committee itself and its chairman.

Mr. McIntosh: May I ask a supplementary question? Does the minister intend to institute any of the recommendations made by the veterans affairs committee in its 1963 report?

Mr. Teillet: I think I dealt with that question on two or three occasions but I would have to check back on that to be more specific.

CANADA ASSISTANCE PLAN

BRANTFORD, ONT.—REPORTED REFUSAL TO SERVICE APPLICATIONS

On the orders of the day:

Mr. J. E. Brown (Brantford): Mr. Speaker I should like to direct a question to the Minister of National Health and Welfare. Since the Canada Assistance Plan became law in July of this year, retroactive to April, can the minister advise the house why the provincial officials who administer the plan at Brantford, Ontario, have not been advised of the existence of the plan, because they are refusing to attend to cases referred to them under this plan, stating they have not received instructions about it?

Mr. Speaker: I have some doubts whether this question qualifies for acceptance at this time. Perhaps the hon. member may want to take this up with the minister or discuss it later today.

Mr. Brown: Ten o'clock.

Inquiries of the Ministry

NORTHERN AFFAIRS

UNITED KENO HILL MINES—CURTAILMENT OF PRODUCTION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask a question of the Minister of Manpower and Immigration.

Some hon. Members: Hear, hear.

Mr. Greene: Welcome back.

Mr. Nielsen: Not having a Jetstar to get around in like the minister of northern affairs, it takes me a little longer. May I ask a question of the minister of manpower? What action is the government intending—he is gone.

Mr. McEwen: Another cabinet shuffle.

Mr. Nielsen: May I direct a question to the Minister of Indian Affairs and Northern Development in the hope that he can answer. What action does the government intend to take to avoid the announced curtailment or early closure, because of inflationary costs, of the operations of the mining complex of United Keno Hill Mines, directly affecting 2,000 people, four communities in the Yukon and 20 per cent of Canada's silver production?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, my first inclination is to say, "welcome home". In reference to the announcement made by Mr. Fraser in respect of Keno Hill, I think the hon. member would agree with me that if a careful study is made of the statement the very pessimistic interpretation put upon it by certain people in the Yukon and elsewhere seems scarcely justified. I am hopeful that the statement attributed to someone in the company yesterday to the effect it was hoped the mine would not be closed at all is much closer to the actual situation. We are making inquiries and asking for explanations of the statement made by Mr. Fraser. I am hopeful that we can probably clarify what I thought was a measure of optimism in the rather gloomy prediction that was first made.

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APPLICATION OF U.S. LAW TO CANADIAN PUBLISHERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct a question to the Minister of Industry and Defence Production on a matter which is of interest to many people in this country. Can the minister inform the house with regard to the latest developments in United States copyright law as they affect Canadian printers and publishers?

Mr. Speaker: Order. I suggest to the hon. member that this type of question should be placed on the order paper.

COAL

REQUEST FOR MEETING WITH UNION PRESIDENT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I should like to ask the Prime Minister if it is his intention to meet the request of the president of the U.M.W.A. and, if so, when he intends to meet with him.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, offhand I am not aware what the request is.

Mr. MacInnis (Cape Breton South): May I ask a supplementary question. Am I to understand that the Prime Minister has not received any correspondence requesting a meeting on the Nova Scotia coal industry? Is the Prime Minister leaving the impression with the house that he has not received any such correspondence?

Mr. Pearson: If the hon. member would stop using initials when he speaks, I might be able to understand him more easily. This matter is under consideration.

Mr. MacInnis (Cape Breton South): A further supplementary question. Am I to understand from the Prime Minister that under the circumstances—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Cape Breton South.

Mr. MacInnis (Cape Breton South): Mr. Speaker, am I to understand from the Prime Minister that under the circumstances now prevailing in Nova Scotia he is unaware of what the U.M.W.A. is?

Mr. Pearson: Mr. Speaker, I am quite aware. If the hon. member would not mutter the initials I might be able to understand them.

Mr. MacInnis (Cape Breton South): Mr. Speaker, am I to understand that I cannot get across a question of privilege to the Prime Minister without him imputing motive also? I now ask the Prime Minister to answer my question. It is the government's intention to meet the request of the president of the United Mine Workers of America to hold a meeting on the coal problem in Nova Scotia, especially in view of the $25 million promised by himself, by the Minister of Transport, by the former minister of labour now the Minister of National Health and Welfare, by the minister of mines and by the Minister of Finance?

Mr. Starr: The whole government promised it.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, a supplementary question. May I ask the Minister of National Health and Welfare whether he will be so kind as to advise the Prime Minister that we have a union in Nova Scotia called the United Mine Workers of America, and would he acquaint him with what is going on in Nova Scotia and that we do have a coal problem?

Mr. Speaker: Order, please.

TRANSPORT

ST. LAWRENCE SEAWAY—REQUEST FOR STATEMENT RESPECTING TOLLS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is addressed to the Minister of Transport. In view of the fact that there are approximately only six weeks left in the seaway shipping season and that new contractual arrangements are being drawn up now, is the minister now in a position to state the policy of the government with regard to tolls so that new arrangements can be made?

Hon. J. W. Pickersgill (Minister of Transport): Unfortunately no, sir.

AGRICULTURE

SHOPPING AT SUPERMARKET BY MINISTER

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Agriculture. Would the minister tell the house what he hoped to prove by his well publicized shopping trip, and whether he feels he was successful?

Inquiries of the Ministry

Mr. Speaker: Order, please. I think that question is out of order.

[*Translation*]

QUEBEC—INQUIRY AS TO CROP INSURANCE

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Can he tell us if he has had talks or has exchanged correspondence with the Quebec minister of agriculture, Mr. Vincent, on the matter of crop insurance? If so, would he tell us if Quebec wants to join the crop insurance plan of the federal government?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I understand that the province of Quebec will take part in that program.

[*English*]

POST OFFICE DEPARTMENT

REPORT OF INQUIRY INTO GRIEVANCES OF EMPLOYEES

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a question for the Postmaster General. On October 6 he advised the house that the Montpetit report relating to conditions in the Post Office Department would be presented to him not later than October 18. I should like to ask him whether this report has been filed with him and what action he intends to take in regard to it.

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, the Montpetit report was received this morning and it will be tabled tomorrow.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker. Would the Postmaster General say that he is willing to turn this report over to the committee which is now discussing the civil service matter so that representations can be made based on that report?

Mr. Côté (Longueuil): Mr. Speaker, I am not the one who should decide that matter but I agree with what the hon. member has said.

INDIAN AFFAIRS

SASKATCHEWAN—PRESERVATION OF INDIAN SHRINE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have been seeking an opportunity to address a question to the Minister of Indian Affairs and Northern Development which arises from a question addressed a few

days ago to the Minister of Agriculture recorded at page 8447 of *Hansard* and entitled "Saskatchewan—Preservation of Indian Shrine". As I think the minister knows, the matter involves the possible flooding of an Indian shrine by the rising waters behind the South Saskatchewan river dam. What steps is the Indian affairs branch or the historic sites and monuments board taking or being asked to take to ensure that this ancient Indian shrine will in fact not be destroyed by the rising waters behind the South Saskatchewan dam?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have had some rather frightening estimates about the weight of this stone varying from 200 tons to 450 tons, with cost varying up to $150,000 and so on. I think the Minister of Agriculture has been speaking to some of his people in P.F.R.A., and there has been a suggestion that at least a modest part of the stone be removed. I have no knowledge whether a subdivision of the stone would be satisfactory to the people who are interested in its transfer.

Mr. Barnett: Has the government been in touch—

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I made that suggestion months ago and I hope it will be followed.

Mr. Speaker: Order.

Mr. Barnett: I am sorry, Mr. Speaker. The question I was going to ask was whether the government has been in touch with any of the authorities who have become expert in the techniques of moving such stones to higher ground.

Mr. Speaker: Order. I understand that the Leader of the Opposition has a supplementary question.

Mr. Diefenbaker: Mr. Speaker, is it not possible to take a portion of that stone and set it aside? It is regarded as something sacred to the Indians, and with a government that has spent so much on so many things surely this shrine should be preserved in part. Does the minister not agree?

Mr. Laing: Mr. Speaker, I must say that an Indian friend of mine not so long ago said there had been so much talk about the stone in the house that he was surprised it had not moved itself.

[Mr. Barnett.]

GRAIN

REQUEST FOR DESIGNATION OF GOVERNMENT ELEVATORS AS DELIVERY POINTS

On the orders of the day:

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, may I ask a question of the Minister of Finance. Would the minister consider asking the board of grain commissioners and the wheat board whether it might be possible to lease the various government terminal elevators located in Calgary, Lethbridge, Moose Jaw and other points and designate them as delivery points so that the farmers would be able to haul grain directly to them and make use of the storage space there?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, in so far as this question relates to my responsibilities as the minister reporting for the wheat board I would take this question as notice and pass along the suggestion. Of course the Minister of Agriculture is responsible for the board of grain commissioners.

NATIONAL PARKS

CAPE BRETON HIGHLANDS—WINTER WORKS PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, is the minister in charge of Canada's national parks in a position today to reply to the question I posed several days ago regarding a winter works program for the Cape Breton Highlands National Park, which at the time was kindly taken as notice by the Minister of Veterans Affairs?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): No, Mr. Speaker, not at this time.

NORTHERN AFFAIRS

REPRESENTATIONS RESPECTING REPORT OF COMMITTEE ON DEVELOPMENT OF GOVERNMENT

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, may I address a question to the minister of Indian affairs in relation to the recent report and recommendations of the commission on government in the north. Will the people in the north have an opportunity to express their reaction to the recommendations of the commission prior to their implementation by the government?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, there has already been wide distribution of this report and we expect to have a great deal of comment. We have no plan for any formal hearings at the present time. As a matter of fact, I believe the commission itself saw and spoke to almost 4,000 people in its visits through the territories, which I would think is between 25 per cent and 30 per cent of all the adult citizens there.

[*Translation*]

SHIPPING

MONTREAL—INQUIRY AS TO WINTER NAVIGATION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Transport.

Can the minister tell the house if his department, with the help of its ice-breakers, will encourage winter navigation to the Montreal harbour this year?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): That is a very big question, sir. I do not think I can answer it properly at this time.

[*Translation*]

Mr. Speaker: May I suggest to the hon. member that the question is not very urgent at this time.

[*English*]

LABOUR CONDITIONS

CABINET CONSIDERATION OF TAB PAYMENTS TO AUTOMOBILE WORKERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I have a question for the Minister of Labour but in his absence I direct it to his parliamentary secretary. Does the parliamentary secretary know whether the revised formula for the payment of transitional assistance benefits to the laid-off automobile workers has been submitted to cabinet and whether a decision has been arrived at yet?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I can only bring that question to the attention of the minister on his return tomorrow.

COAL

REQUEST FOR STATEMENT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Some months ago he informed the house that he would make a formal statement on what he intended doing with the Donald report when it came down. The other day the minister suggested that he is continuing to study it. May I ask him now when the house may expect a statement of government policy with respect to the Donald report on the Cape Breton mines?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, when we got the Donald report we said that we would expect representations to be made by the concerned parties. To answer a previous question, I hope to go to Cape Breton as soon as I can to receive these representations personally. After receiving these representations the government, which is studying the report, will make its policy known.

Mr. Lewis: A supplementary question, Mr. Speaker. I understand that the minister has informed the communities, the company and the miners' union of the specific dates that he is going to be there and has invited their representations. When is this to take place?

Mr. Pepin: When I came back from Calgary just a few hours ago I received a telegram from one of these groups. I mentioned in my answer that I will make myself available in about ten days time.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, since I might be pardoned for confusing initials, I wonder if the Prime Minister would take it upon himself to do a bit of research and inform the house what the initials O.H.M.S. mean?

Mr. Speaker: Order.

HEALTH AND WELFARE

PARTICIPATION BY FINANCE MINISTER IN MEDICARE DEBATE

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of

Finance. When is the minister going to enter the debate on medicare to explain to the house the relationship between medicare and inflation?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been looking for an opportunity to enter the debate. I thought the most useful time would be when the house is in committee, when I can deal with two or three matters which could be of particular significance to the Minister of Finance.

EDUCATION

ONTARIO—REPORTED DELAYS IN STUDENT AWARD PROGRAM

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): My question, Mr. Speaker, is for the Minister of Finance. In view of the urgent financial needs of many Ontario college students and the widespread dismay at the restrictive terms and delays in the Ontario government's student award program, can the minister assure the house that no delays or restrictions have been imposed or dictated by the government of Canada? Also, will he press the province of Ontario to ensure a prompt and fair distribution of the funds which have been committed to student aid by this house?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, this would require a rather longer answer than would be appropriate on orders of the day. I do intend to make a short statement on motions at an early date.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker. When the minister is making that statement will he also explain why the 10,000 $1,000 scholarships are not being awarded?

Mr. Ricard: They were in the program of the Liberal party.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State. Would the minister inform the house when the new appointment will be made to the senior position with the C.B.C. and if the policy of alternating between French speaking and English speaking presidents will be maintained?

[Mr. Prittie.]

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I am glad to say that the appointment will be made at the time Mr. Ouimet leaves office. I should also like to say that the speculation I have seen in the press, both in news columns and in columnists' articles, is wholly without foundation.

INDUSTRY

REQUEST FOR REPORT ON BOYCOTT OF FOOD STORES

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the right hon. Prime Minister. Has the Prime Minister anything to report to the house on the housewives' boycott of food chain stores in Ontario and Quebec?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is not in order.

GRAIN

CHURCHILL, MAN.—STORAGE IN TERMINAL ELEVATOR

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact that the Canadian National is satisfied it has sufficient box cars available to fill the elevators at Churchill and in view of the fact that the wheat board is of the opinion that the Canadian National has not sufficient box cars to haul the grain which the wheat board would like it to haul, will the minister not ask the top authorities of the Canadian National and the wheat board to get together to decide whether the elevators in Churchill can be filled this winter?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, because of the importance of the questions asked yesterday I have had a conversation with the wheat board. I should like to read a sentence or two from the message I received from the wheat board as to the reasons for its policy. I think it will answer the hon. gentleman's question.

When the shipping season at Churchill was completed the board had the choice of filling the terminal at Churchill or continuing to incur substantial demurrage costs at the port of Vancouver. We chose to ask the C.N.R. to divert the cars immediately into the Vancouver movement so that its sales commitments could be met.

Mr. Simpson: A supplementary question, Mr. Speaker. Does the minister not feel that

this does not clear up the question inasmuch as the Canadian National still will not say whether it has sufficient box cars to do both jobs?

Mr. Sharp: No, Mr. Speaker, that is not the position of the Canadian National. The Canadian National has a large but after all limited number of cars and it uses these cars as the wheat board directs in order to meet the shipping program and the needs of our customers.

Mr. Speaker: Order, please. This is not a supplementary question.

Mr. Jack McIntosh (Swift Current-Maple Creek): A supplementary question, Mr. Speaker. In view of the fact that the minister has read part of the message from the wheat board, would be now table the entire message?

Mr. Sharp: Mr. Speaker, this is a message that I received yesterday in response to a conversation. This is between myself and the wheat board. I have put these words forward because this is what the wheat board reported to me. I do not think I am under any obligation to table the rest of the message. Though I have no particular objection I think this is a matter in which the minister must exercise discretion. He should not be compelled by the house to lay before hon. members privileged messages.

Mr. McIntosh: On a point of order, I think the rules of the house make it necessary that the minister table the document, if requested to do so.

Mr. Speaker: I do not think that that is the exact rule.

PUBLIC SERVICE

REPRESENTATIONS RESPECTING SALARIES OF POSTAL WORKERS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Postmaster General. About a week ago I asked the Postmaster General if he had received representations from the International Association of Machinists in Toronto protesting the inadequacy of the pay increases granted to its members. After orders of the day the minister indicated that he would take the matter under advisement. Has the minister done so and is he in a position to respond?

Hon. Jean-Pierre Côté (Postmaster General): I have received the letter, Mr. Speaker. I must advise the hon. member that increases in salary for all civil servants including postal employees are the responsibility of the Treasury Board.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed, from Monday, October 17, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

• (4:00 p.m.)

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, when the house rose last night I was making the point that medical care legislation is fundamentally a provincial matter and that in giving financial assistance to such plans the federal government should not attempt to rewrite them or to dictate them contrary to the wishes of the provincial legislatures. Each province knows what it can afford; it understands its local and immediate problems and is aware of the political philosophy which its people support. The fundamental requirement for federal support of a medicare plan should be social justice, that is, free premiums and care for those in need and assistance for those with low incomes. The remainder of the plan should not concern the federal government.

That is not what the present plan seeks to do. It would force upon the provinces a plan favoured by the Minister of National Health and Welfare (Mr. MacEachen) under the threat of withholding financial support. The mere fact that the plan is being postponed for a year for economic reasons is a potent argument in favour of the amendment before the house.

The fundamental difference between our approach as Conservatives and that of the Liberal party and the New Democratic Party is that we would provide first of all for the needy and for those in the lower income brackets whereas they are calling for a massive re-direction of income into state coffers for the payment of premiums. This not only directs more power to government but it

reduces the freedom of the individual to choose the services and insurance he requires.

I wonder whether some members on the government side do not ask themselves why this bill is receiving such unanimous and enthusiastic support from the New Democratic Party. It is not because it provides for the poor and needy. The Ontario, Alberta and British Columbia plans already do that, as do the plans proposed by other provinces. The real reason is that this plan is in accord with the socialist philosophy of the New Democratic Party.

Mr. Douglas: Also the Hall report.

Mr. Aiken: I would say to the hon. member for Burnaby-Coquitlam (Mr. Douglas) that the Hall report did not spell out in detail what the plan for medical care should be to the point this bill does and to the point he has indicated. It supports an agreed medical care plan and we also support a medical care plan.

Mr. Douglas: Would the hon. member point out any provision in this bill which is not fully supported and recommended in the Hall report?

Mr. Aiken: I was coming to that question by a reverse process. The Hall report does not suggest this bill in its totality. I have read the report and it says, basically, that medical care must be provided for those in need. But I have seen nothing in the report to the effect that it must be a plan compulsory for every person in Canada.

Mr. Douglas: That is exactly what it says.

Mr. Aiken: I beg to differ.

Mr. MacEachen: Well, read it.

Mr. Aiken: I have read it and I am sure most of my friends have read it carefully. I say this bill is not what the Hall Commission recommended.

Mr. Douglas: It is exactly what it recommended.

Mr. Aiken: I think we are wasting time discussing it because we have all read the report. The commission made recommendations which are general in nature, not specific, to be implemented by agreement.

In addition to the fact that this bill reflects the philosophy of the N.D.P. it throws a gigantic burden suddenly on the national economy. Moreover, it is not simply a plan to provide for the needy. This could be achieved by supporting the three plans now in existence and, in due course, the proposed plans of other provinces. It constitutes another giant step toward socialism and it is unnecessary as a means of providing social justice. If the government really wants to provide free medical care across Canada for those who need it at a price the economy can afford and do it now, then the party opposite should support plans which provide, as a minimum, free premiums for those in need, reduced premiums for those with lower incomes, and membership for others on a voluntary basis at ordinary premium rates.

By supporting such a plan as the medical insurance plan in Ontario the government could move into the field of prepaid medical care across Canada in a reasonable and gradual way without swamping the economy. To put it bluntly, we could have federally supported medicare plans all across Canada by the original target date for this scheme, and ensure that all needy persons were looked after, if the government were to accept the principle of the amendment now before the house. By insisting on all or nothing, those who reject the amendment and push through the original bill will be depriving the needy in Canada of assistance in obtaining medical care for at least one additional year in six of our provinces.

Mr. Knowles: I wonder whether the hon. member would comment on the plan he is advocating in the context of a means test? Is he not importing a means test into medical care by proposing that medicare be made available free to those who cannot afford it at all and that others should pay part of the premiums? Would it not be better to stay away from a means test in this important piece of legislation?

Mr. Aiken: I have to admit that I do not like a means test. At the same time, I have seen the Ontario plan in effect for some months and it appears to be working satisfactorily. It works well. People who have no taxable income have their premiums paid and those who have low taxable incomes get reductions. No one goes around to individuals who apply asking them what their incomes are, how they live and so forth. The plan is based entirely on the statements of those who make application. As I say, if they pay no income tax they pay no premiums. I do not like a means test but I think that in the context of what we are doing a plan on the basis of the Ontario plan is satisfactory and

acceptable to the majority of the people; I should not say to everybody because there are always people who feel that any plan is improperly administered. I merely say that I think the Ontario plan is a suitable one, that it is working well, and that in my view the federal government could easily support it as of July 1, 1967.

In the same way, the government could support a number of the other plans, paying the premiums of the needy and of those living on low incomes. It could do this without swamping the economy as the present plan appears likely to do on the admission of the government itself. I am offering an alternative which would work, though I recognize that the hon. member and myself have different philosophies on this question. I do not hesitate to say that I prefer that those who can afford to pay their own premiums should not pay them under the government plan but should pay them somewhere else.

• (4:10 p.m.)

Mr. Knowles: Will the hon. member permit one more question? He and I have different philosophies, but I want to get to the bottom of this. How does he reconcile his statement that he does not like a means test with his support of the proposition that a person has to declare his poverty in order to get free medicare?

Mr. Aiken: He merely declares his income. If he has an income that is not taxable then that fact is declared and accepted.

Mr. Knowles: That is poverty.

Mr. Aiken: I do not think it is a case of poverty at all. In fact, I suspect there are a lot of people who do not pay income tax who should not get an exemption, but this is erring on the wrong side. They may well be liable to income tax but do not declare their income. Nevertheless, the principle is that what they declare for tax purposes qualifies them.

I do not particularly object to this system. I have seen it work. If I had not seen it work I would be talking about something I did not know anything about. As I say, I have seen it work and nobody has ever complained to me about somebody from the government coming around and asking how much they use to support a wife and children, what further income is earned and so on. It is not that sort of plan.

My theory is that if the people of Saskatchewan want the kind of plan that the hon. member suggests, a universal plan, then all right, the federal government should support it. I do not say that the federal government should not support it, because that plan is providing for the needy and for low income people. If Saskatchewan wants that sort of plan, if the provincial legislature has passed it and the people have accepted it, then fine, the federal government should support it.

Likewise, if the people of Ontario are satisfied with the plan which that province's government has come up with, then the federal government should support it. Further, if the people of Alberta and British Columbia are satisfied with the plans their provinces have promulgated, then the federal government should say; "All right, that is your plan and we will support it." My contention is that the federal government should not come along and say, "We don't care what you want in the provinces. This is what we consider is a proper plan and we will give you money only for it."

My objection is based on constitutional grounds. The federal government is walking in over the top of the provinces and telling them: "This is your jurisdiction. We know we have no business in this but we won't give you any money unless you meet our standards." I am not going to argue against a universal plan if that is what is wanted and brought into effect in any province, but it is not the business of the federal government.

I have spent a little more time on this particular subject than I intended, Mr. Speaker, and I wish to mention another matter before I sit down. Sooner or later, unless the amendment is carried, we are going to have to vote on second reading of the bill. I must admit that my approach to voting on second reading has changed drastically since my experience with the Canada Pension Plan bill. At that time the house and the public were assured by letters from the Prime Minister (Mr. Pearson) which I asked to have tabled and which were tabled—there were about a dozen of them—that once the Canada Pension Plan was passed in principle the government would be happy to hear all sorts of people make representations and to alter the plan to suit whatever the special joint committee recommended. It was a very magnanimous offer: "Give us second reading and you can do anything you like with the plan afterwards."

I went along with this. I voted for second reading because I believed in a pension plan, but when I came to serve on the committee, on which the hon. member for Winnipeg North Centre also sat, I found that the government had no intention of making any changes in the pension plan bill, and it did not.

The government opposed every amendment that was put forward. It cajoled witnesses who were against the general philosophy that the government was putting forward, and I got the feeling that the assurances that had been given to us were not given with any intention of carrying them out but merely to get the bill past second reading.

This makes a very difficult problem for me and several others who might support second reading of this bill on the general idea that we would be supporting a bill for medical care, but my feeling right now is that unless there are some definite assurances that the government is not only going to consider amendments but will look at them wholeheartedly, we will be making a mistake in supporting the bill on second reading.

The interpretation which the government put on second reading of the pension plan bill was that we had supported every section of the pension plan. Every time in committee that we raised a question about a clause, they said that it contained one of the principles of the bill and we had approved it when we approved second reading.

The government had better let us know what it is going to do in the present case. We know one clause it is going to amend, the one stipulating the commencement date, and to my mind that is a pretty fundamental clause. Today the Minister of Finance (Mr. Sharp) told us that in the committee stage he is going to make some major policy statements. This is not what I understood to be the purpose of committee stage at all. I think that on second reading we should consider the principle and then in committee consider details.

I am not at all satisfied about this yet, Mr. Speaker. From the experience we had with the Canada Pension Plan bill we can see there is something left very much up in the air. In the case of the pension plan bill a lot of people felt very much let down, and felt there was not a wholehearted—

Mr. Munro: Could I ask the hon. member a question?

[Mr. Aiken.]

Mr. Aiken: When I finish my sentence. A lot of people felt that there was not a wholehearted and forthright effort made by the government in that special committee really to come up with a plan that would be acceptable.

Mr. Munro: Would the hon. member accept a question now?

Mr. Aiken: Yes.

Mr. Munro: The hon. member sat on the joint committee on the Canada Pension Plan. Would he not agree there were several fairly significant changes that came out of that committee and were implemented in the legislation?

Mr. Aiken: Mr. Speaker, I cannot remember one important change that was made in that committee. One point I do remember is that one of the hon. members from Vancouver seconded my motion in connection with a change in widows' pensions affecting what are called death-bed marriages, but even with the support of one Liberal member we did not get it through.

Mr. Munro: What about the transition period?

Mr. Aiken: The only things we got through were the amendments proposed by the government and they were not proposed after evidence or after debate. In each case they were introduced at the beginning of a hearing and government members said, "This is what we are going to amend". The hon. member may shake his head, but I never had such a traumatic experience in my nine years in this house. There was nothing which government members would accept.

Mr. Munro: The amendments were worked out by agreement.

• (4:20 p.m.)

Mr. Aiken: The amendments were voted upon and every opposition amendment was voted down; that was the end of it. I think the government can do this because it is their bill, but let us not go into the committee with any false understanding. That was the situation at the time of the committee hearing on the pension plan bill. In this particular case there is no special committee. The minister does not want to hear the arguments twice; once is enough. He is going to hear them in committee of the whole house, and I cannot blame him for not wanting to hear them again in a special committee.

We are on the horns of a dilemma. If I could trust the government to do what they have expressed their willingness to do I would support second reading. But I cannot because I do not think they have any intention to make any fundamental changes except in the date by moving it on a year.

Having stated my views, Mr. Speaker, how shall I vote? I am going to vote, of course, for the amendment. Second, if there is a choice later between the proposal we have before us and a better one, I will choose the other one. If voting against this bill will force introduction of another and better bill, then I will vote against it. Finally, if there is a choice between some type of medical care or none, I will vote for medical care now. We will have to see how things develop during the debate. Whatever happens to the amendments—and the other parties may bring forward amendments or the government may do so—I hope some good sense will find its way into the minds of the government members so that as a beginning we will have a responsible medical care plan for the needy and for the low income people immediately. If it has to be expanded later, that will be up to the provinces and not the federal government.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my hon. friend who has just taken his seat would be called a hell-dodger in religious circles in respect of his last remarks.

Mr. Aiken: What?

Mr. Winch: A hell-dodger, one who goes to every church in the hope that when he dies he will not go to hell but to heaven. The hon. member has taken the same position on medical care. He has introduced so many "ifs" and "buts" that he is a political hell-dodger hoping he will come out on top no matter what happens. If that is not an example of political expediency demonstrating the attitude of Conservatives on this matter, then I have not heard one.

Mr. Aiken: Mr. Speaker, on a question of privilege, I do not know exactly what the hon. member's words mean. I am expressing an honest opinion. I do not care whether he likes it or not, and I do not care whether I am being philosophical. I believe in medical care for the needy.

Mr. Winch: Of course my hon. friend is expressing his honest opinion. A hell-dodger wants to get to heaven and goes to every church in the hope he will go there. My friend is the same. He wants to be on the top of the heap no matter what comes out. He uses all these "ifs" and "buts" so that, despite his tribulations, he can go to the people and say: "This is what I stand for because I stood for everything".

I greatly appreciate the opportunity to be able to speak on second reading of this most important bill now before us. I appreciate the opportunity to speak this afternoon because it will not be possible for me to be in my seat tomorrow. A subcommittee of the joint committee of the House of Commons and Senate on penitentiaries is going to make its first visit to a penitentiary, namely, St. Vincent de Paul.

When I think of a penitentiary, Mr. Speaker, I think of the inmates, and when I think of the inmates I cannot help but think of the relationship between the inmates and the Liberal government so far as medicare is involved. Inmates of a penitentiary are considered to be anti-social because they have broken the law of the land, because they have not accepted a commitment and because they have not demonstrated an understanding of what authority, commitment or responsibility means to people generally. On this issue I have in my mind this relationship between the inmates in a penitentiary and the present Liberal government. I believe it is a very definite one because, in light of the basic principles of morals and ethics, the Liberals gave a commitment of policy to the people of Canada in the last election. Every Liberal candidate gave a commitment to the electorate. That commitment was a trust, because when you are running for election and give a commitment you are giving a trust that the promises you make you will fulfil.

What was the promise given by every Liberal candidate? The promise in the Liberal program was that if they were returned as a government they would immediately introduce and put into operation a universal over-all medicare plan. That was the commitment, Mr. Speaker; it was a trust to the people of Canada. I speak not only of the campaign, because I shall make reference to speeches made in this House of Commons only a few short months ago when the Prime Minister (Mr. Pearson) and the Minister of National Health and Welfare (Mr. MacEachen) gave a commitment to the members of the House of Commons that the medical insurance bill would be proceeded with and go into operation on July 1 of next year.

We have now been advised in the past two or three days by the self-same Minister of National Health and Welfare that we shall vote on second reading on the same bill in principle that was introduced a few months ago but that after adopting the principle on second reading it will be amended so as to postpone it for a further year until July 1, 1968. I say that the Liberal government has definitely betrayed the commitment and trust given to the people of Canada. It has betrayed not only the people of Canada but also the House of Commons both in respect of the statements made and the trust. Surely it is understandable that henceforth because of this betrayal the people cannot trust the Liberal party in the future nor can the House of Commons trust statements made by a Liberal Prime Minister and another cabinet minister in the House of Commons because they themselves have proven that they are guilty of betrayal.

• (4:30 p.m.)

It goes beyond that, Mr. Speaker. It is my contention that the government in general—I do not like to say this but I refer to the Minister of National Health and Welfare in particular—have not only betrayed their commitment and their trust but by their actions they have and are aiding and abetting influences in this country which would undermine the parliamentary system itself. In 33 years of campaigning I think I have stated at every meeting I have attended that I believe the parliamentary system is the greatest institution ever devised by man for the solution of man's problems. I stand by that proposition. It is also my belief that in the past few years, the last two or three in particular, the institution of parliament has been undermined and brought into ill repute and disrespect because in this forum there has been too much of personalities, prejudices and party expediency. As a result, "politician" to many people is now a dirty word. Convinced as I am about the correctness of what I say, let me add that in my estimation this Liberal government has done more to bring the institution of parliamentary democracy into ill repute and disrepute in the last few days than any other government by its actions over the years. They have done so by their betrayal of a commitment and a trust.

I have listened with a great deal of interest to the majority of the speeches made during the second reading stage of this bill, as a result of which I believe I now have an understanding of the position being taken by the various parties. The Liberals are in favour of universal over-all medicare and want this bill passed in principle, but they want to postpone its effectiveness from year to year. The Conservatives also believe in a system of universal medicare, but rather than supporting over-all coverage they have moved an amendment which, if adopted, will effectively block any introduction of universal over-all medicare in Canada for at least the next 12 to 14 years. That is what they will accomplish if they have their way.

It is also evident from speeches made by members of that party that they believe universal over-all coverage can only be adopted on the basis of a priority given to private enterprise. This makes it evident that they put the profits of private enterprise in the medical insurance field ahead of the health and well-being of the people of Canada under a government operated non-profit system. To me this is a completely anti-social, inexplicable and unreasonable attitude on the part of a political party in this day and age.

I must admit I am not quite certain where the members of the Social Credit and Créditiste parties stand, but I think I am correct in saying that no matter what their final position is it will be a waffling one and one of political expediency, because that is their record in this house.

The position of the New Democratic Party is well known. We stand for universal over-all medicare in Canada and we mean by that a plan instituted now. We will, however, accept the commencement of this plan on July 1 of next year and will do everything in our power to block any postponement of the effective date. We intend to be, if I may put it this way, the conscience of the Liberal party in order to prevent it from postponing its commitment further. Just as we try to reclaim and save those who break the law, we are going to try to reclaim and save those political heathen who have betrayed Canadians by proposing that medicare be postponed.

We were very glad to hear this afternoon that the Minister of Finance (Mr. Sharp) is going to speak on this bill during the committee stage. Personally I would prefer him to speak during second reading. As a matter of fact, he owes it to this house and the people of Canada to make it known on what basis he reached the decision to exercise his whip of persuasion and get the cabinet and the Liberal party to agree to this postponement. He owes it to us, when we are discussing the

principle of this bill, to indicate how a one-year postponement is going to assist in curbing an inflationary trend. He owes it to this house to tell us what pressure was brought to bear on him from outside in order to persuade him to exert pressure on the cabinet and the government. It is my personal belief that his decisions was not reached only because of the inflationary trend but also as a result of pressure from outside. I believe that outside pressure forced the government to kneel abjectly because it is in a financial jam and requires the co-operation of the monetary powers to refund bonds and float new loans. We should like to hear an intensive, detailed, factual and honest statement by the Minister of Finance on second reading before we approve this bill in principle.

It is imperative that I explode a myth expounded yesterday by the hon. member for Cartier (Mr. Klein). I listened very carefully to what the hon. gentleman said and rather than take any chance I may misquote him I should like to read from his speech as reported at page 8742 of *Hansard*. He said in part:

> Mr. Speaker, I rise in support of medicare.

At page 8743 he said this, and it is a jewel of Liberal wisdom:

> It is far more important that this legislation be passed by this house than that it shall come into effect on July 1, 1967 or July 1, 1968. The important thing is that it does become part of the legislation of this country.

Surely that is the greatest bit of political eyewash and political hogwash I have ever heard. He suggests that it is important to get the legislation on the statute books, but that when it is to come into operation is not important. Surely the only interpretation we can possibly place on those words of the hon. member for Cartier is that the Liberals' word is good, particularly after they introduce legislation and it is placed on the statute books. The implication is that the Liberal government, having introduced legislation and having had it placed on the statute books, would put it into effect. My hon. friend should look back on the record of Liberal governments in this country. Not only does their word mean nothing, not only does their commitment mean nothing, not only does their honour mean nothing, but their own legislation does not necessarily mean anything.

• (4:40 p.m.)

I had the honour of being a member of the British Columbia legislature from 1933 to 1953. In 1933 the Liberals campaigned on two slogans, "work and wages" and "over-all medicare" to cover every citizen of B.C. On November 2, 1933 they were elected with an overwhelming majority, so overwhelming that in a 48-member legislature the official opposition of which I was a member only had 7 seats. What happened to the Liberal promises regarding work and wages? Apart from the time of war when Canadians had to kill or be killed and our production was for destruction and not for consumption, there was no fulfilment of the work and wages policy.

How about the over-all medical plan which was promised to all the citizens of B.C. in the campaign preceding the 1933 election? The Liberals kept their word and in 1936 they introduced over-all medicare for every citizen of British Columbia. The B.C. legislature unanimously passed it and the commissioners were appointed. An advisory board was set up, literature was printed and the legislation was to be put into effect. But then what happened? The medical men of British Columbia said to the B.C. Liberals: "If you put that legislation into effect we will go on strike". That is what happened. Was the grand old Liberal party interested in their own magnificent medicare legislation for the citizens of British Columbia? No. They said to the B.C. medical association: "We bow to your wisdom". That is what they did. The legislation is still on the statute books of British Columbia in 1966 and we still do not have over-all medicare in our province.

The hon. member for Cartier had the unmitigated audacity to rise and say, speaking on specific medicare legislation: "Do not worry about when it starts. Just get the legislation on the statute books." Having had the experience of Liberal promises and kowtowing to the kind of pressure I have just mentioned, we want the legislation on the statute books and we want it written into the legislation that it will go into effect on July 1 of next year. I think we have the right to demand that what we request be granted and that the Liberal promises be fulfilled.

This government operates in a very peculiar manner. Day after day we read the pronouncements of that "Sharp" Minister of Finance sitting on the other side in regard to guide lines and in regard to holding the line on increases in the wages paid to the workers of our country. We are told that these increases should not exceed the increases in the gross national product. They should be held down to 3 or 4 per cent annually. The government tells the useful people of Canada,

the workers, what they should do and what increases they should receive, but I have not heard any complaints from the Liberals about the action in the last few weeks and months of the doctors of Canada who have increased their fees in one fell swoop by 25 to 50 per cent. Newspapers of the last week end have reported that increases in doctors' fees in Ontario have been as high as 37 per cent. I presume that every member in this house received this morning a statement from the Seafarers' International Union regarding what is happening to their welfare and medicare plan. The increases are going into effect almost immediately.

Visits by doctors at a hospital have increased from $3 to $4, visits at the doctor's office have increased from $4 to $6 and visits elsewhere than at a doctor's office or at a hospital have increased from $6 to $8. The over-all increases amount to 25 to 50 per cent. They have gone away above the guide lines which the useful people of Canada, the workers, are supposed to follow according to this government. As a result of all these increases the average person cannot afford a single illness. That is why it is so necessary to have universal over-all medicare so that not only can the wealthy help the poor but so that the healthy can help the ill because the day can come to almost anyone when the healthy will become the ill.

The only interpretation I can give to the Conservative policy is that of medicare on the basis of a means test. Basically it is medicare for the needy and the indigent, but how many of them are there? The Conservatives have not mentioned how many needy and indigent there are. I was most interested to read this morning's newspaper report concerning an interview given by Dr. R. K. C. Thomson of Edmonton, president of the Canadian Medical Association. He does not like the government plan, nor does he like universal medicare. He agrees with the Tories, that is, he agrees with medicare on a means test basis. However, whilst the Tories do not state how many people would be affected according to Dr. Thomson the figures, 20 to 30 per cent of the population, or possibly 5 million people, require to be covered by a medical plan even on a means test basis because they cannot afford to pay for medical help and assistance.

I must say that the plan before us goes far beyond the indigent and far beyond those who definitely cannot afford to pay. The individual cost of medicare cannot be borne by 90 per cent of the people of Canada because it is such that one serious illness can bankrupt or put into serious debt any average working class family. A major illness today can run you into thousands of dollars, and I wonder how many working class people have $1,000 in their bank accounts. Everybody needs medical protection, and we insist that this the only progressive policy that can be considered at this time.

So, Mr. Speaker, we support the bill as originally introduced. We support the principle of universal medicare and we want to see it go into effect as soon as possible and not later than July 1, 1967. We will do everything we can in the interest of the people of this country to see that this is done and to stop the reactionary Tories and Liberals from postponing the date of the commencement of the plan.

Mr. Boulanger: May I ask the hon. member a question? Has he read the last speech made by the Quebec leader of the New Democratic Party—I hope he knows who he is—Mr. Robert Cliche?

• (4:50 p.m.)

Mr. Winch: I have not read the last speech made by Mr. Cliche.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have listened with a great deal of interest to the debate on medicare during the last few days and have also been interested in earlier statements made about it. Frequently it has been an exercise in Canadian political history with a Liberal government and the New Democratic Party in the opposition, striving very hard to indicate that each of them was very much in the forefront in staking out the original claim on the homestead of medicare. Admittedly many years have gone by, and I suppose there is nothing sadder to the original homesteaders than to find that the people who follow after them may not have quite the same high regard for the homestead as they had when it was originally staked out.

We have heard some rather surprising speeches today, particularly the one just completed by the hon. member for Vancouver East (Mr. Winch). Some members of this house must wonder just what the explanation is for some of these speeches. This afternoon I should like to give the house some explanation of the phenomenon that has been occurring. I am indebted to an interesting little book recently published called "The Elite In The Welfare State", which has a great deal to

say about our present political situation in Canada. As we move ever increasingly into the welfare state, we seem to be running into sharp conflict as to just who composes the elite of this welfare state.

I should like to quote a bit from this—

Mr. Winch: Who is the author?

Mr. Johnston: The author is Piet Thoenes, a Dutch sociologist. The book is available from the parliamentary library. I quote:

It is a characteristic of the elite that its superiority imposes a task upon it. This task, either as a right or as a duty, includes that of determining the destiny of others. By accepting this task, every elite takes upon itself a certain burden of responsibility. Hence the selection of the ruling authority on which this responsibility is to be laid determines its character.

An elite, however, does not consider itself obliged to be answerable to its actual or future subjects. Indeed it has not received its commission from these people—

I believe this statement is true of the New Democratic Party who have never been given a commission from the people of Canada on a national basis.

Mr. Scott (Danforth): Neither have you.

Mr. Johnston: I have not complained about that at all. I continue quoting:

—but this does not imply that it has, on this account, no sort of responsibility; it simply means that the elite seeks its responsibility from some other source, from the place from which it supposes itself to have received its commission. In abstract, this means that it will justify its actions by calling on an idea, a divine message, or a scientific law—a biological, psychological, economic or sociological law—or even a system combining a number of these elements.

This is one of the reasons, Mr. Speaker, that we have had so many references to history and why, at the opening of this debate, the spokesman for the New Democratic Party referred to this as being such a historic moment or he had hoped it would be but was afraid it would not be the historical moment that he had expected. It is important that a very heavy gloss of history be laid over this debate. I continue quoting:

In practice this means that it seeks a blessing on its ideas from an ecclesiastical or scientific authority, either one which is already in being, or else one which the elite itself has brought into existence.

From what sources of inspiration, from what divine promptings or scientific laws have certain groups been able to derive their claim to be set in the position of the elect? Although some elites imagine themselves to have been commissioned by a higher authority—sent down from on high—nevertheless the sociological observer finds that in actual fact they have never fallen from heaven. There has always been a concrete social situation which has resulted in their being called into the existence as a group.

Later the author goes on to state:

Generally speaking, elites as groups are not born easily. It is true to say that it is always flattering to human vanity to know oneself to be a member of an upper set; yet on the one hand, to cut oneself adrift from the greater, original whole and on the other to run the risk of failing to bring it off satisfactorily, demands of the people concerned a truly exceptional amount of courage—or, if one prefers it, of pride.

I have one more short quotation:

Now, if a group sets itself up as an elite under favourable conditions, then generally speaking it will need a different source of inspiration. The greater the difficulties in the way of acceptance of an elite, the more irrefutable a claim and an inspiration it has to have. The more revolutionary the character of its emergence (owing to the requirements of its situation) the more will it attempt to surround its message with a gloss of inevitability, of absoluteness and incontrovertability. A group in this sort of situation quite easily comes to confer upon its message the nature of a revelation.

Certainly we have the revelation, I suppose you would call it, in the Hall report. This report has been treated as absolutely divine writ which must be accepted without argument and must be implemented completely by the government of the day without alteration of any kind. In all of this, Mr. Speaker, the thing I find most surprising is that the government is always allowing itself to be pushed into a position where it seems to lose its own claim to being the elite in the welfare state. It has seemed so willing to hand its position over to the New Democratic Party without really any sound ground for so doing.

The book from which I am quoting has a sentence which applies to the government:

On the other hand, a group which moves in a situation of stimulating change can carry on in a somewhat calmer fashion.

I think the government has been wise in its decision to delay the implementation of medicare for a year. I feel it might have carried on in a somewhat calmer fashion and delayed the legislation as well. There is really no sound reason why we should be involved in this debate at the present time. The government is in charge and has been given a sort of mandate from the Canadian people. It should not always put itself in the position of being pushed into a series of panic reactions, fearful that somehow it may lose a particular position.

Medicare

• (5:00 p.m.)

I will return to the book a bit later. The thing that has amazed me about the many speeches has been the contrast between the speeches we had a few weeks ago on the back to work legislation when there was such tremendous concern expressed for the wishes of a vocational group, the railway workers who were involved in the legislation then before the house. Now the wheel has come completely around and we find the concern is that the government might consider the wishes of the vocational or, if you prefer the word, professional group involved in this matter. A completely converse point of view is taken. While it is certain that no back to work legislation totally repugnant to the railway workers would ever have been effective, I think it also behoves us to pay particular attention to the medical profession who are the people most directly involved and concerned in the question of medicare.

I feel that the bill can be supported in principle on second reading. Various provinces have shown how medicare can be instituted with the co-operation of the medical profession and the blessing of the people in the province concerned. One thing about the welfare state is that it finds itself in conflict with the democratic process. The hon. member for Vancouver East (Mr. Winch) spoke movingly about his faith in parliament, but he might recall that this is not the only parliament in the country. There are legislatures or parliaments in the various provinces which have instituted medicare programs by the due processes of parliamentary democracy. I suggest it is not significantly or particularly democratic of this institution to lay down, somewhat after the fact, a set of principles for medicare that will be so stringent as to come into conflict with the schemes already in operation.

This is why I trust that in committee of the whole paragraph (c) of clause 4 (1) will be examined very closely and that the figure of 90 per cent will be seen as a somewhat variable figure and not as another bit of revelation that must be accepted as if it had been handed down. I suggest it is a figure that might bear alteration.

I also trust that when considering sub-section (2) on page 4, which refers to "the designation by the provincial authority of an agency or agencies to carry out any responsibility in connection with the receipt and payment of accounts rendered for insured services", the widest possible interpretation will be placed upon that wording so that the provincial governments will not be forced into instituting a monolithic organization which is unwanted by the medical profession and will be one of the things more than anything else which will jeopardize the success of the plan on the national level.

Finally, Mr. Speaker, in committee of the whole it might be possible to amend the bill further to allow some of the groups who are not currently mentioned in the bill to be added. I speak of optometrists and chiropractors who perform functions of benefit to the Canadian people, who are regarded by average people as fulfilling medical functions and to whom they go for healing and relief. I suggest there is no reason why the bill cannot be so amended and these groups included in it.

I should like to conclude with another very brief quotation from "The Elite In The Welfare State":

> Democracy is still an immature system requiring care and attention if it is to thrive. Alongside this political system there is nowadays, moreover, an even younger social structure with a slightly different name, the welfare or the social security state. Both the political and the social form have many features in common, they are of the same family, so to speak, and live in the same house. Nevertheless, a close analysis of the character of the welfare state raises the query of whether there is the possibility of tension between the welfare state and democracy. Is there an equal chance of peaceful co-existence? Or, must one of the two go under? Such questions have certainly more than sociological interest alone, even though it is only within a sociological framework that the concept of the elite may be seen to lie at the heart of the problem. An elite appears indispensable to the welfare state and difficult to co-exist alongside democracy; for, it is always an essential characteristic of an elite as defined here that it is not obliged to make itself responsible for its actions to its *de facto* or its anticipated subjects. Democracy implies that it should be thus responsible.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, the first question that occurs to me in speaking on the medicare bill is why the government brought this measure before the house at this time when the Prime Minister (Mr. Pearson) and the Minister of Finance (Mr. Sharp) have stated that it will not be implemented until July 1, 1968. The question is particularly pertinent when there are so many matters that require the urgent and immediate attention of this house. For example, there is the problem of inflation. Some effective measure to deal with inflation should be immediately brought before the house by the government. Then there is the matter of assistance to education, the promised bursaries and scholarships for students.

Why not bring that matter before the house at this time rather than this medicare bill?

Another problem that has become almost critical is residential construction. In the October issue of the *Monetary Times* the following extract deals with the problem of residential construction:

> Squeezed by tight money and sharply rising costs, the industry—if their press notices are to be believed—is crumbling at its foundations, and this year will build only 140,000 houses, 110,000 short of the nation's needs. Those that are being built are horrendously costly in terms of the average wage earner's capacity to pay.

In the "Homebuilding News" for September there is a headline which refers to residential construction and states "July Starts Down 27 Per Cent". There is a resolution on the order paper, government order No. 101, in connection with amendments to the National Housing Act. Why has the government not brought this matter before the house at this time, deferring the medicare bill until a later date?

The New Democratic Party is making what appears to me to be a planned attack to try to pin the Conservative party with the label that we are trying to kill the medicare bill. I should like to place on the record, at least for the benefit of the people in my riding who will be reading my speech, the terms of the amendment moved by the hon. member for Simcoe East (Mr. Rynard) on behalf of the Conservative party:

> This house, while of the opinion that provision should be made for medical services to be available to all Canadians at an adequate level on a prepaid basis, is nevertheless of the further opinion that no legislation for the provision of insured medical care services in Canada will be satisfactory unless it:
>
> (a) secures co-operation of the governments of the provinces of Canada;
>
> (b) recognizes the principle of voluntary choice by the individual;
>
> (c) makes adequate prior provision for sufficient medical research, the training of adequate numbers of doctors and other medical personnel, and
>
> (d) immediately provides for those persons who are unable, for financial reasons, to provide medical services for themselves.

• (5:10 p.m.)

Mr. Speaker, how the socialists can interpret that amendment as designed to kill a national medicare scheme is beyond my comprehension. This falls into line with their holier-than-thou attitude. If our party tries to the best of its ability to improve a government measure, we are labelled as intending to kill the measure. To my knowledge all members of our party are in favour of a national medicare scheme. What we are trying to do is present to the government a plan that we think is better, a plan that will be more effective and that will help those who need help. We want to provide the help now, not on July 1, 1968.

The hon. member for Winnipeg North Centre (Mr. Knowles), who was naturally very sad that the medicare starting date was to be postponed, had a good point when, as found on page 8620 of *Hansard*, he said:

> This is a sad day, first, because we have before us today an open betrayal of the pledged word of the government of this country. Second, this is a sad day because the action of the government in proposing the postponement of medicare for a year is a discrimination against the needs of the people in this country, particularly their medical needs, and I refer particularly to those people who cannot afford the medical care they require. I submit that to treat the people of this country in this way is a shocking denial for which this parliament should not stand.

If our proposal is accepted it will do what the hon. member for Winnipeg North Centre wants, namely, provide immediately medical insurance for those people who need it. Roughly one third of the people of Canada cannot afford to pay the premiums required today for an adequate health insurance scheme.

Referring to the various clauses of the amendment proposed by the hon. member for Simcoe East, we see that first of all the plan must be one which secures the co-operation of the governments of the provinces of Canada. Three provinces already have their own medical care plans. Other provinces have prepared studies and I believe are considering introducing their own plans. What assurance have we that if this bill becomes law the provinces across Canada, the major ones being Ontario and Quebec, will join the plan? We might end up with a statute that is not effective. The premiers have already indicated their objections and reservations with respect to the proposed government measure.

We say that to have an effective medicare plan that will be operative in every province of Canada the government ought to present a plan that will be clearly accepted in advance by the provinces. I do not hold any brief for the Canada Pension Plan, but the government had advance notice from the province of Quebec that the Canada Pension Plan which the federal government would seek to have passed would be approved of by Quebec. In other words, Quebec indicated it would institute a similar plan. There is lots of time before this plan is implemented in July of

1968. We say that the federal government should consult with the provinces to design a plan that will be acceptable to them. I am sure it would not be difficult to amend the present bill to make it acceptable to all provinces across Canada.

The next point in our amendment is:

(b) recognizes the principle of voluntary choice by the individual;

The Minister of National Health and Welfare (Mr. MacEachen) has gone to a great deal of trouble trying to make it appear that the government proposal is not compulsory. It is obvious from the terms of the bill that it will be almost impossible for the provinces if they want to participate in the benefits, for which they have been taxed, not to compel their people to join the plan that the federal government is putting forward. In every sense of the word, therefore, it is compulsory. I do not know why the government should insist that the plan be compulsory. In view of the constitutional position, why does the government not give the provinces the option of joining the plan in such a way that the provinces can give an option to their people in regard to joining?

Another point overlooked by many people is that if the compulsory part of the plan is adopted those people who now contribute toward a private medical insurance plan and who have part of their premiums paid by their employers will lose the advantage of having their employers make that partial payment. It seems incongruous to have persons paying for two insurance schemes. Something like 60 per cent of the working people of Canada have private schemes into which the employer pays part of the premium. Once the compulsory scheme comes into effect those people will lose that privilege. I maintain, therefore, that it should be up to the individual to say whether he wants to join a government scheme—I refer to schemes such as exist now in Ontario, Alberta and British Columbia—or whether he wants to stay with his own scheme, which might be better so far as he is concerned.

In case the government is of the opinion that the compulsory feature of this measure has been accepted by the people of Canada, I draw the attention of the house to "News & Views" of March 26, 1966, containing the result of a poll. The Toronto *Star* on February 10, 1966 printed the results of the most recent Canadian Institute of Public Opinion poll on compulsory medical insurance. According to this poll, as printed in "News & Views", 52 per cent of the people who gave an opinion were in favour of a voluntary government scheme as opposed to 41 per cent who were in favour of a compulsory scheme.

The next point in the amendment is:

(c) makes adequate prior provision for sufficient medical research, the training of adequate numbers of doctors and other medical personnel;

I go back to my original statement. We propose a plan that will be effective. If a universal plan is passed and medical insurance is available to everyone it does not mean that medical services will also be available. It does not mean that at all. The fact of the matter, from what is contained in the Hall Commission report, is that, particularly if the government scheme is implemented, there will be a grave shortage not only of doctors but of all the other personnel involved in medical care.

For example, the Hall Commission report indicates that four new medical schools must be established by 1971-72. The report states elsewhere that it takes from eight to ten years to establish a new medical school. A fifth medical school should be established shortly after the other four. The report also recommends that the existing schools expand their enrolment. When the house is in committee I hope the minister will be able to tell us how the actual enrolment in medical schools existing in Canada has been increased.

• (5:20 p.m.)

The Hall Commission report also points out how a shortage of doctors may arise or be increased. At present in Canada the ratio of population per physician is 857. This ratio steadily improved between 1951 and 1961. The Hall Commission report points out that if the ratio continues to improve at the rate it has, by 1976 there will be a shortage of 4,691 doctors and by 1986 there will be a shortage of 13,329. We should keep in mind that today there are roughly 24,000 doctors in Canada. The commission indicates that the ratio of population to doctors might well remain as it is at present. However, judging from the circumstances in other countries, I submit there is room for much improvement in Canada with respect to the ratio of people to doctors.

In the United States, for example, there are 752 people per doctor, in New Zealand, 700, and in the U.S.S.R., 550. It seems obvious that in Canada, because of the vast distances to be covered and the way in which population is

distributed, there must be a major improvement in the physician-population ratio. I maintain there is a real danger that if the plan now proposed is implemented even by 1968 people will be insured but will not be able to get adequate medical treatment because of the shortage of doctors and other personnel involved in medical care. Our amendment says, in effect, that adequate provision must first be made for the supply of such personnel before a national scheme is adopted.

The last point in our amendment is that immediate provision should be made for those who are unable for financial reasons to provide medical services for themselves. Surely our primary responsibility is to take care of those who are not able to care of themselves. This is a basic principle when government interferes in private fields and it does so because the private sector has not been doing the job of caring for those who cannot take care of themselves. There is no need for the government to help those who are capable of helping themselves, particularly when they may not desire government help.

As I have indicated, a large percentage of the working people of Canada have their own private insurance plans. In many cases the whole of the premium is paid by the employer. In others, half is paid by the employer. Many of these people would prefer to retain their own schemes. Why should they be forced to take part in a government scheme when they do not need it and in many cases do not want it?

So we maintain that the scheme should take care immediately of those who cannot provide for themselves by insurance. It may be expected that the provinces which have already introduced their own schemes have borne this thought in mind. In British Columbia, for instance, the province pays 90 per cent of the premiums of those who have no taxable income. In cases where the taxable income is less than $1,000, the province pays 50 per cent of the premiums. If the federal government were to assist the provinces further, surely the provinces would extend their insurance to cover not only physicians' services but all services, including eye and teeth care.

It is the people who are in need who should receive full coverage in respect of all medical treatment. It is more important to provide those who are in need with comprehensive coverage than it is to provide merely physicians' care for everyone in Canada. If we accept the fact that there is a shortage of medical personnel, which I think this is clearly demonstrated by the Hall report, then instead of acting initially to extend coverage to everyone in respect of physicians' fees only we should concentrate on those who cannot afford to provide their own insurance and make comprehensive coverage available to them.

I hope the government will consider our amendment in the spirit in which it is offered. We are in favour of a national insurance scheme and we feel that our proposal if accepted would provide for a more effective and a more equitable scheme in Canada.

Mr. Walker: The hon. member has been suggesting that there are not enough doctors or facilities at present to take care of a universal, comprehensive medical care scheme. Has he some idea as to the length of time which might be needed to acquire the necessary facilities?

Mr. Chatterton: According to the Hall Commission report five new medical colleges are required. Remember, that report was submitted in 1964. It takes between eight and ten years to establish a medical college. The commission also made recommendations as to increasing enrolment in the existing colleges. I think the responsibility rests on the government to make an assessment of the position today and say five years from now. There is a possibility of shortening the length of time necessary to establish a medical college and perhaps of shortening the medical course. The health resources fund, it will be remembered, was not approved until this year, two years after the Hall report was submitted. So I maintain that even by 1968 there will be a serious shortage of doctors.

I think it has been shown by the experience in Britain and in Saskatchewan that with the introduction of universal medicare there is an increase in the number of visits paid to doctors. So there is bound to be a shortage of doctors with an adverse effect on the quality of medical services, and I believe the situation will be worsened if we adopt the plan now proposed in its present form.

I maintain that the government should first make a thorough assessment of the position today, two years after the Hall report, as well as a year or two years from now, and that over-all coverage should be delayed until such time as the government is satisfied there

are adequate personnel to take care of all reasonable medical needs.

Mr. Walker: One further question. Presumably the delay might amount to as long as five years, optimistically, or ten years, pessimistically. Is it the hon. member's suggestion that a comprehensive universal scheme should be delayed for that length of time, whether it is five years or ten years?

Mr. Chatterton: The first thing we think should be covered—and immediately, as of January 1 of next year—is the situation of those who are in need.

An hon. Member: They are already taken care of.

Mr. Chatterton: No. We should cover them immediately and others who wish to join should do so on a voluntary basis as is the case in British Columbia.

Mr. Walker: My question was this: the introduction of a universal, comprehensive scheme is recommended by the Hall Commission and, if I understand the hon. member correctly, he is suggesting that such a scheme should be deferred until facilities are available even if this means a delay of ten years.

• (5:30 p.m.)

Mr. Chatterton: Our proposal provides first of all for the coverage of those in need and then for anyone thereafter on a voluntary basis. It could be introduced immediately as a national scheme. It is not compulsory; it is voluntary. It could be introduced immediately, and if there were a delay in respect of those not in need that would be all right. Our proposal could be implemented immediately, not in 1968 but right away.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have followed the course of this debate with considerable interest and it is not my intention, in speaking briefly, to repeat the many excellent arguments that have been advanced by members of our party for the introduction of a national health services insurance plan on July 1, 1967. However, during the course of this debate I have discovered that I am a pioneer in this respect in the advocacy of the need for a national health services insurance plan.

I find that I am the only member of the House of Commons at the present time who campaigned during the federal election of 1921 in support of a national health services insurance plan, which was adopted at the Liberal convention held in the fall of 1919 as the result of a motion moved by the late Right Hon. Mackenzie King, seconded by the present Senator Turgeon. I will never forget that at that time my father was with me in that campaign because we were both interested in this type of legislation.

I might say I am very glad to note that many younger members of the house who have grown up since, and some who have even been born since that date, recognize the vision which many Canadians had with respect to the need for this plan at that time, and the essential soundness of the ideas which they expressed in resolutions from various local Liberal organizations to their provincial organizations, to the national organization and other conventions shortly after the termination of the first world war.

I remember quite clearly the atmosphere that prevailed at that time, the feeling that we had fought the last world war and were now provided with the opportunity to do something to build a sound society. I remember very clearly there were two things that particularly concerned the people of that day. The first was the need for a national old age pension plan and the second was the need for a national health services insurance plan.

As I said before, Mr. Speaker, these plans were discussed at local organizations and there were what would be called seminars nowadays. I am not quite certain as to the exact meaning of that word, but there were get-togethers in the area I come from, the Kootenays, between various groups that discussed with great conviction the need for these two programs at that particular time, and also the need for the co-operation of local people if any plan, whether it be national, provincial or municipal, were to succeed.

I remember in my own case I happened to be the president of the local hospital board. The board met and members of the hospital society met and discussed what they could do in respect of our hospital facilities with respect to a plan of this sort and discussed the matter with the local doctor. There was that spirit of local participation which I think must be engendered and must be revived if any national plan of consequence is going to succeed to the full.

This was in a period when the majority of people looked forward to the end of all world wars and seized the opportunity to build a just and sound society. However, over the intervening years we have been disillusioned by the course of events. There is no need to go

into recent history in that respect, including the failure of successive federal governments to introduce a national health services insurance plan.

The demand for a health services insurance plan was strong in British Columbia and this ferment continued from 1919 until the Liberal party was re-elected provincially in November, 1933. As I say, it was a subject discussed at all the local meetings of the organization and by other organizations. I remember that once again I campaigned as a member of the Liberal party in support of this program, but once again there was a delay in giving legislative effect to the overwhelmingly expressed will of the people.

When he spoke this afternoon the hon. member for Vancouver East (Mr. Winch) referred to what happened in the legislature of British Columbia. However, the pressure was so strong in this respect that in 1936 Dr. Weir, the minister responsible, introduced legislation in line with the Liberal provincial program which provided for a health services insurance program on a provincial scale. The legislation was passed by the legislature. A commission was established, but that was the end of it. I ask why, because we have heard nothing since of that legislation? The reason that plan was not given effect to, although the legislation is still on the statute books of the province of British Columbia, was that the medical profession at that time opposed the introduction of the plan on a provincial basis, although I did know of some who thought it could be more satisfactorily introduced on a federal basis.

Since that time more and more people and organizations have come to realize that all Canadians should be covered by a national health services insurance plan. Successive Liberal governments have been aware of public sentiment in this respect. The late Right Hon. Mackenzie King was very aware of it. In fact, I remember on one occasion having a conversation with that former prime minister of Canada on this subject because he stopped me to tell me to send his kind congratulations to my father who was having a birthday in the near future, and I did so.

This desire was emphasized by trade unions, the Canadian Federation of Agriculture, farmers unions, women's organizations of various types, and other organizations, and the government mildly responded to these representations by the introduction of legislation to provide for further research into this problem, to provide for grants for hospital beds when hospitals were being constructed, and by legislation to provide for further contributions toward provincial hospital insurance plans that were appreciated at that time. When those plans were introduced members of this party actually thought the government was introducing those proposals before launching on a national health services insurance program.

• (5:40 p.m.)

I rise at this time, Mr. Speaker, to express my support for the principle and purpose of the bill, although I must say it has suffered from a very Sharp frost in recent days, and to express my opposition to the amendment moved by the hon. member for Simcoe East (Mr. Rynard). I have great respect for the hon. member, but on reading his amendment carefully I am of the opinion that he has, in somewhat different terms, expressed the opinion of the Canadian Medical Association. I read their letter when I received it and at this point I would like to quote in part from a letter I received from Dr. R. K. C. Thomson, president of the Canadian Medical Association. This is what Dr. Thomson had to say:

> The enclosed letter in respect to Bill C-227 was forwarded to the Prime Minister and will be discussed with the Minister of National Health and Welfare. We hope that all members of parliament will seriously consider and support our more practical approach to medical services insurance—
>
> 1. which would provide insurance for those who need financial assistance;

That means on a means test basis.

> 2. which could be serviced by existing medical personnel;

That was the very same argument used in 1921 with regard to the national program proposed at that time and in 1936 when the legislature of British Columbia adopted a bill to provide for provincial health insurance.

> 3. which would maintain the quality of medical care;

We also heard that argument on those two occasions.

> 4. which would not be too costly for the provinces or the federal government;

Surely, Mr. Speaker, we in Canada with our vast natural resources would not find a social welfare measure of this type too costly when the governments of Great Britain and other European countries have had plans of this type in effect over a good number of years and have improved them as a result of experience.

> 5. which would have the support of the doctors of Canada.

I must say, after listening to the hon. gentleman and the terms of his amendment, I cannot reconcile his speech and the terms of the amendment with the remarks made by his leader when the Hall Commission report was tabled. At that time and in the press later in eulogistic terms he said that that report laid the foundation for legislation which his government intended to introduce.

As a matter of fact, very similar arguments were used by some sections of the medical profession against the introduction of the national health services insurance plan in 1921 and again in 1936 when Dr. Weir introduced a similar plan in the legislature of British Columbia. I remember the disappointment among many members of the Liberal party at that time who were sincerely concerned about these matters. I remember one cabinet minister who was very disappointed—the hon. member for Vancouver East will bear me out on this—the former Hon. Mary Ellen Smith, who was a social reformer and who did great work in the legislature of British Columbia, particularly in connection with establishing the rights of women, non-discrimination and so on.

Although I know outstanding doctors who supported the plan—as does the hon. member for Hamilton South (Mr. Howe) whose remarks we listened to the other day with great interest—in this house and in the country, I think that owing to the political climate which existed between the federal and provincial governments in Canada in 1921 and even in 1936, it would have been easier to introduce even a modest national plan at that time which could have been developed with co-operation and experience. I am not suggesting for a moment, Mr. Speaker, that any plan which is designed as a result of legislation will not be open to improvement. There will be defects. We will find there is a shortage of doctors in certain areas and that there are certain requirements which have not been foreseen. But our point in this group is that we should have got on with this legislation years ago.

I oppose the amendment also because on page 91 of the Hall Commission report the following appears:

> While we are aware that shortages of physicians, dentists, nurses, and other paramedical personnel will make it difficult to establish the full personal health services program our charter envisages, nonetheless the fact that there are shortages must not be used as an excuse to delay initiating programs and plans.

[Mr. Herridge.]

I think the Hall report completely offsets the remarks made by the hon. member for Simcoe East. I presume they mean that some members of the medical profession are also opposed to what they are pleased to term socialized medicine. I am always interested to see how some doctors are sort of confused concerning the application of socialized measures. What about socialized education? According to *Hansard* of April 22, 1964, the actual cost to the community for each doctor who graduates in Canada is $16,900. Multiply this by the number of doctors in Canada and it amounts to a considerable total.

I fully realize the need to increase the number of doctors if the Canadian people are going to receive the medical services to which they are entitled, and I will support government assistance to that end because when this legislation is adopted we want it to work as effectively as possible. When we come to the matter of training doctors, however, we do not hear any objection to socialization of education in this regard; yet I have heard doctors object very strongly to what they call socialized medicine. Without a doubt experience will indicate, as I said before, the need for amendments to this legislation and the need for the inclusion of dentists, optometrists, chiropractors and other medical services. If the government does not see fit at this time to include these groups, we hope the plan when it comes into effect will indicate that if people are going to have over-all medical attention these other groups should be included.

Let us recognize the wishes of the majority of the people as expressed by numerous organizations and as expressed during the last election by the votes that were given on behalf of the Liberal candidates, by the votes in many cases given on behalf of Progressive Conservative candidates, by the votes given to members of this party who have always taken a firm stand on this issue, and by some votes given to members of the Créditiste and Social Credit parties who have indicated a support for the principle some time in eternity when they hope sufficient doctors will be available.

As I said before, if the people of Great Britain and Europe can give effect to sound health insurance plans, surely we in Canada with all our vast natural resources, if we manage them properly—and all wealth depends on natural resources; the foundation of all wealth is natural resources—can do even better than the people in those countries have

done to date. I find in volume I of the Hall Commission report on health services, page 6, these paragraphs:

> The enjoyment of the highest attainable standards of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition.
>
> The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest co-operation of individuals and states.

There is no question that it is economic insecurity which raises the risk of war in a good many parts of the world at this time. Therefore, because I have believed in the need for a national health services plan since I returned from the first world war and have advocated it on all occasions whether I was a member of the Liberal party, the C.C.F. party or the New Democratic Party. I have no hesitation in supporting the second reading of this bill. I shall look forward to its implementation soon and, as a result of experience, its improvement and amendment.

• (5:50 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Danforth (Mr. Scott), Public Service—representations respecting salaries of postal workers; the hon. member for Sherbrooke (Mr. Allard), Historical Monuments—Sherbrooke, Que.—demolition of Sir Alexander Galt's house; the hon. member for New Westminster (Mr. Mather), Old Age Security—continuation of payments to dependants of deceased pensioners.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to take part in this debate to express my position in respect of Bill C-227. I have lived for a number of years with the troubles and worries of Canadian workers and citizens brought about by the expense of illness and adversity. During the past years unions in this country have been able to raise the standard of living of industrial workers through collective bargaining. As a result these Canadian citizens enjoy a high and excellent standard of living. The unions have been able to negotiate the institution of medical plans which offset the worries of the average Canadian who now knows that in time of sickness his expenses will be covered. A great many people in this country have no protection in this regard and are unable to take care of themselves.

Bill C-227 does not in effect institute a universal medicare program in Canada. Medical health care is under provincial jurisdiction and four provinces now have medical plans which cover the people who are unable to provide for their own needs. The province of Manitoba is now in the process of devising a plan to cover these people in that province.

This bill will not institute a universal medical plan in Canada. By its very title one can see this. It states that it is:

> An act to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

All this bill does is ask parliament to authorize the government to set aside moneys to be paid to provinces, which now have or will institute medical schemes, to the extent of half of the cost of their medical schemes. The bill states as an objective that these plans shall be universal. That is a laudable objective. By the provisions of this bill payment will be made to those provinces which institute a program of medical care insurance. Some provinces may not do so, in which event this will not be a universal plan. As a matter of fact, it is doubtful that through the provisions of this bill all the costs incurred by provinces under their own medical schemes will be covered.

The Prime Minister (Mr. Pearson) has said time and time again throughout this country during election campaigns that he hoped by July 1, 1967, the centennial year of this great country, he would be able to provide a medicare program for all the people of Canada in commemoration of this event. However, since those promises we have heard sharper words

which have overruled the laudable aims and promises of the Prime Minister and of every Liberal candidate, because the bill now before us will not institute a universal plan.

I disagree particularly with the provision of the bill which puts medicare on a compulsory basis, because Canadians are not prepared to accept compulsion. We have observed some evidence to that effect as a result of the Canada Pension Plan. The Canadian people are resentful of compulsion. In spite of my belief in this regard, and because I believe in the principle of medicare, I will support this bill on second reading.

The hon. member for Simcoe East (Mr. Rynard) proposed the amendment before us because we believe in medicare and hope to improve the bill now before us. A great deal of criticism has been made of this amendment. I do not know why that should be, except perhaps because those who have levied the criticism are playing politics.

What is wrong with the first part of the amendment which states that the government should secure the co-operation of the governments of the provinces of Canada? If the plan is going to be universal it is important that all provinces institute a valid program to cover their residents. In that way only can it be a universal plan. Naturally we need the co-operation of the provinces, which is something the present government does not have.

The second part of the amendment refers to a recognition of the principle of voluntary choice by the individual. It is my belief that if the government does not accept that principle it will be making a mistake. In spite of any mistake it might make in this regard I will support and vote for this bill on second reading.

Third, the amendment suggests that we should make adequate prior provision for sufficient medical research and the training of adequate numbers of doctors and other personnel in order that we may provide the care and attention that people will need under the coverage of a universal plan.

The fourth part of the amendment suggests that the bill should immediately provide for those individuals who are unable for financial reasons to provide medical services for themselves. Are these people in the various provinces to wait until July 1, 1968 before they are covered? If they must wait until then, they wait because of a whim on the part of this government.

[Mr. Starr.]

It is utter nonsense on the part of anyone to suggest that because we support this amendment as an improvement to the bill now before us we are against medicare. Surely we are here to put forward suggestions as to how to improve legislation brought forward by the government. We have merely suggested some alternatives to what the government has brought forward in an effort to improve this bill to the benefit of those who will be covered. I am sure that it would be more readily acceptable in the form we have suggested. That is why we have put forward the amendment. It was not proposed for the purpose, as has been suggested, of killing this bill in opposition to the principle of medicare.

Mr. McIlraith: Mr. Speaker, I wonder whether the hon. member would permit me to ask for the unanimous consent of the house to revert to motions in order to permit the Prime Minister to make a statement.

Mr. Peters: Will the minister agree to a recess between seven and eight o'clock after the Prime Minister's statement?

Mr. McIlraith: I do not think that suggestion is agreeable at this time because we are trying to get this very important legislation through.

Mr. Diefenbaker: Yet it does not come into effect for a year and a half.

• (6:00 p.m.)

Mr. Deputy Speaker: Does the house give unanimous consent to revert to motions?

Some hon. Members: Agreed.

Mr. Peters: No.

Mr. Deputy Speaker: I will ask the question again. Is there unanimous consent to revert to motions?

Some hon. Members: Agreed.

Mr. Peters: If we do, we should have some indication that we will have a dinner hour afterwards, Mr. Speaker.

An hon. Member: Make it seven o'clock.

Mr. Deputy Speaker: I will repeat the question. Is there unanimous consent to revert to motions?

Some hon. Members: Agreed.

URANIUM

CONTRACT FOR SUPPLY OF URANIUM OXIDE TO U.K. ATOMIC ENERGY AUTHORITY

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the reason I asked for permission to make a statement at this hour will, I think, become apparent from the nature of my statement because I would like to inform hon. members of the successful completion of negotiations between Rio Algom Mines Ltd. and the United Kingdom Atomic Energy Authority for the sale and purchase of a minimum of 8,000 short tons of uranium oxide (U_3O_8) for delivery to Britain from Rio Algom's Elliot Lake properties during the 1970's. This uranium is needed by Britain for her civil nuclear power program.

The contract was signed subject to the approval of the Canadian and British governments and the issuance of the necessary export permits by the Canadian authorities.

The new contract provides for a continuation of deliveries by Rio Algom to the United Kingdom Atomic Energy Authority following completion of deliveries under previous contract arrangements which run until 1971. A minimum of 8,000 short tons of uranium oxide will be supplied up to the end of 1980, and at the option of the buyer that amount may be increased to 11,500 tons. The basic annual rate of delivery is 1,000 tons, but within prescribed limits the quantity may be varied from year to year.

Mr. Speaker, on June 3, 1965, I stated in the house the policy of the government with respect to exports of uranium. At that time, in recognition of Canada's major interest as a world supplier and the vital importance of the Canadian industry being in the best possible position to take advantage of expanding markets for the peaceful uses of uranium, I announced that the government would be prepared to authorize forward commitments by Canadian producers for fuel supply to reactors in operation, under construction, or committed for construction, for the anticipated life of such reactors. I also announced that the export of reasonable quantities of uranium for the accumulation of stocks in importing countries would be authorized for periods up to five years.

The arrangements which have been made by Rio Algom to supply uranium oxide to the United Kingdom Atomic Energy Authority for Britain's civil nuclear power program are consistent with these features of our policy.

An important feature of the Canadian government's policy in respect of foreign sales of uranium is the requirement that the government of the importing country accept appropriate verification and control to ensure that the uranium is to be used for peaceful purposes only.

The British and Canadian governments have agreed that uranium supplied under this contract will be used for peaceful purposes only, and that safeguards based upon the principles and procedures of the International Atomic Energy Agency's safeguards system will apply to the use of this material. Discussions on detailed arrangements for the application of these safeguards will be held between Canada and the United Kingdom before commencement of deliveries scheduled to begin after 1971. Such arrangements will be in accord with our international obligations, including those which might arise under a non-proliferation treaty to which the two countries might adhere.

The arrangements that have been made for safeguards and the fact that the contract is in accord with announced government policy on the export of uranium have made it possible for the government to authorize this contract.

Mr. Speaker, the new contract which has been entered into by Rio Algom with the United Kingdom Atomic Energy Authority augurs well for the future of the Canadian uranium industry. It is concrete evidence of the greatly increased world demand for uranium for peaceful purposes to which I referred in announcing government export policy in June, 1965.

Hon. members will appreciate my satisfaction in making this announcement which ensures continuity of operations at Elliot Lake until at least 1980. This city, which was born of such great promise, has endured much with resolution and fortitude. Its people will now be in a position to look ahead with greater confidence than has been possible for some years.

This contract between Rio Algom and the United Kingdom Atomic Energy Authority is, as I have said, an indication of the increasing world demand for uranium. Other countries are also demonstrating interest, and in the knowledge that uranium will make an increasingly important contribution to meeting world requirements for power for peaceful purposes, we can look forward to the revival of this important segment of our economy.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, it is always a matter of gratification when any of our products are sold, and I am naturally pleased that this arrangement has been entered into. I think it is only a matter of coincidence that it does not apply to uranium from any other part of Canada than Elliot Lake, but I would point out that there are other parts of Canada which produce uranium and would have appreciated being included in any agreement that was made. One is in the province of Ontario and another is in northern Saskatchewan. The fact that the agreement is restricted to only one area is, I believe, purely coincidental.

I would also point out that it is significant that in the last few days there have been unexplained fluctuations in uranium securities on the market. Yesterday the hon. member for Northumberland asked what the reason was for those fluctuations, and it might be worth while to look into the reason why some people on the exchanges seem to have had information which caused rapid fluctuations in the prices of uranium securities in the last few days.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure the Prime Minister is very happy at being able to announce the completion of negotiations for an agreement to sell these large quantities of uranium which has been signed by Rio Algom Mines Limited and the United Kingdom Atomic Energy Authority. I am sure the Prime Minister, both in his capacity as head of the government and also as the member for Algoma East where Elliot Lake is located, is pleased at the outcome of the negotiations. I think all of us are delighted with any contract which will expand our exports, particularly exports of a commodity which has been having a rather difficult time in the last few years.

I do not object to the fact that Rio Algom Mines Limited is getting this particular contract because undoubtedly Elliot Lake has suffered more than any other mining community in recent times. But I do want to say to the government, having in mind the concluding remarks of the Prime Minister indicating that there will be an increasing demand for uranium and that there is likely to be an expanding market in the future, that I hope the government will keep these other areas in Canada in mind.

[Mr. Pearson.]

I am thinking in particular of the government's own crown corporation, Eldorado Mining and Refining Company which has had to curtail its operations very considerably. At the time when the government first began to curtail the production of uranium, the house will recall that many members of our party advocated that the government continue to produce uranium and in particular use its own crown corporation to the maximum to stockpile uranium because we were convinced there would be a growing demand for this resource. All indications throughout the world with reference to existing supplies and possibilities for future demand were that the uranium industry was bound to come back. This has proven to be the case. I hope that in this expanding situation the government will not forget its own crown corporation and will use this expansion to the benefit of the Canadian people. I hope the government will take advantage of the greater demand for uranium.

• (6:10 p.m.)

We are glad also to have from the Prime Minister the assurance that the policy of ensuring that exports of uranium from Canada will be used for peaceful purposes only is being continued. The Prime Minister says that the British and Canadian governments have agreed on methods for ensuring this. I hope that at some future time, either on estimates or orders of the day, we will get some statement from the government as to what these steps are so we can be fully assured, not only with reference to this order but other orders, that exports of uranium will not be used for other than peaceful purposes. I want to congratulate the government upon completing this agreement. I hope, and I am sure, it will be of great assistance to the people who are employed in the uranium industry.

Mr. Raymond Langlois (Mégantic): We are equally pleased, Mr. Speaker, with the announcement the Prime Minister has just made to this house and to the Canadian people concerning the export of uranium. It is one of our natural resources which has undergone many fluctuations in the past and this is particularly true of Elliot Lake in the Prime Minister's riding. I believe this will be welcome news for these people and they can thank the Prime Minister for having thought of them. They have undergone their share of hardships resulting from the closing down of the mines.

In the latter part of his announcement the Prime Minister referred to the fact we can look forward in the future to an increased demand for uranium on world markets. As producers of uranium we in Canada have to give consideration to the use to which this uranium will be put. As the hon. member for Burnaby-Coquitlam has mentioned, if this uranium is going to be used for peaceful purposes we can look forward to other orders of this kind, not only for Rio Algom mine but for mines in other areas of Canada. Exports of this nature, of course, will have a favourable effect on our economy. We must emphasize the peaceful uses of uranium because we must remember that the same product can also be used for the destruction of the world.

It is the responsibility of the government before any contract is signed to make certain the uranium will be used for peaceful purposes and for advancement in fields of endeavour that will ensure a better living standard for nations of the world. Since I come from a mining district I can appreciate the hardship that results from the closing of a mine. I can appreciate what happens to those people who are left without jobs. I think the Prime Minister has had this in mind and we can be grateful to him for that. As the hon. member for Burnaby-Coquitlam has said, there are going to be further contracts in the future because there will be an increased demand for this product in world markets. I think the Prime Minister would do well to keep in mind giving other districts an opportunity to share in these contracts to as great an extent as possible. The government should keep an eye on the movements of this product to ensure that they not only help the Canadian economy but help people all over the world.

Mr. R. N. Thompson (Red Deer): It would be redundant at this point, Mr. Speaker, to say more than that we express our satisfaction at the announcement which has been made concerning the export of uranium to Great Britain. I am sure the remarks the Prime Minister has made will be greeted with particular satisfaction by the people of Elliot Lake and the other constituents of Algoma East. I am certain they are grateful to their member of parliament for his role in making such an event possible. I believe that this announcement tonight points up the fact that we are immensely rich in natural resources. If we can just put our own economy in sound shape, and not only export such natural resources as uranium but also develop within Canada processes such as that requiring heavy water for the nuclear reactors that Canada is building all over the world, this will augur well for Canada. If we can make certain that our own economy is in a position to develop these resources and that our government has the ability to conclude these trade agreements, then these resources will benefit not only Canadians but people all over the world.

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, all Canadians will be very happy to learn of the Prime Minister's announcement tonight.

Mr. Deputy Speaker: Order, please. I recognize the interest of the hon. member but the usual practice in the house is for statements to be made by representatives of the different parties.

Mr. Starr: Mr. Speaker, I am sure the Prime Minister and all members would agree that the hon. member who has just risen has a very vital interest in this matter because of the fact that uranium mining is an industry in his riding. I hope the house will agree to allow him to say a few words on this matter.

Mr. Webb: Thank you, Mr. Speaker. I am certain all Canadians will be happy to learn—

Mr. Deputy Speaker: I apologize for interrupting the hon. member again, but if the hon. member is to speak I hope it is by unanimous consent. I refer hon. members to standing order 15.

Some hon. Members: Agreed.

Mr. Webb: I am certain all Canadians will be very happy to learn of the announcement made by the Prime Minister tonight. However, in spite of the numerous promises made by the Prime Minister and the Minister of Industry to the people and the many delegations from the Bancroft area who have visited Ottawa that they would be given every consideration—

Mr. Pearson: And they were.

Mr. Webb: —if any new contracts were signed, the fact is that the present government has closed the uranium mine in the Bancroft area resulting in economic problems for the people there. Mr. Speaker, I plead with the Prime Minister and the government to reconsider the allocation of these contracts and share them with the people of Bancroft and the area.

Medicare

• (6:20 p.m.)

Mr. Deputy Speaker: Order. The house will now resume the business interrupted at six o'clock.

Mr. Knowles: Mr. Speaker, has the Minister of Public Works thought of permitting us to have 40 minutes for a supper break?

Mr. Starr: Agreed.

Mr. McIlraith: Mr. Speaker, the current debate has been going on at considerable length and we do not seem to be making much progress. During a supper hour we could get a few more speeches on the record and this would enable us to get on with the debate. I think everyone is eagerly awaiting passage of this bill.

Mr. Douglas: I can assure the minister that we would make a great deal more progress by having a supper hour than by sitting right through.

Mr. Winkler: Agreed.

Mr. McIlraith: No.

HEALTH AND WELFARE

MEDICARE—AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and the amendment thereto of Mr. Rynard.

Mr. Starr: Mr. Speaker, in participating in this debate I am inclined to disagree that we are not making any progress. This is a very important and vital matter to the people of this country and every member of this house may wish to express his opinion on this subject. I think that we have been making very good progress in dealing with this important matter.

I do not agree that we should rush this debate because, after all, the bill is not going anywhere. The government does not intend to pay the provinces anything for their medical services schemes until after July 1, 1968. If the government were to come forward and amend the bill to help those who are not now covered in provinces which have no medicare scheme and were to give those provinces

encouragement by contributing 50 per cent out of federal funds to cover medical care for the needy and the poor, especially in the maritime provinces where the people cannot afford any coverage at all, there would be a great deal of urgency to this whole matter and we should put the bill through so that these people might receive coverage now. But the government is not prepared to do this.

The government says that we should put the bill through because they have to prepare to put it into effect possibly after July 1, 1968. What is the rush? Is it merely a question of passing this bill which will authorize the federal government to pay 50 per cent of the cost to any province which puts into effect a medicare scheme so that the Liberals can wave it around the country and enable the government to say that they were responsible for this?

What is to be done for the people who are not covered now? Will they have to suffer and carry the heavy cost of medical services in this country until 1968 simply because this government is torn asunder by a political battle in the cabinet and in the caucus? Who are the victims of the battle that has been raging within their midst? The victims are the people of this country.

I charge, Mr. Speaker, that the government has been playing politics with this very important matter. It has postponed the effective date of this legislation until July 1, 1968, for no purpose except a political one to pacify those in the cabinet and in the caucus who feel that the financial participation of the federal government will cause inflation. This step has been taken to combat the present inflation. Even if this bill does pass in its present form permitting the government to participate financially in this medicare scheme, the bill will not go into effect until July 1, 1968.

I suggest that the government should consider the position of the provinces which are not able to finance a medicare scheme for their own people. These provinces should be given an incentive now, not on July 1, 1967 or July 1, 1968, but now, to look after their needy and poor who cannot look after themselves.

The Prime Minister has said on a number of occasions that our objective is to have full medicare in operation on Canada's 100th birthday, July 1, 1967". This was the theme throughout the election campaign last November. The Prime Minister promised the people of this nation medicare by July 1, 1967

and he said that a Liberal government would bring this about. He said that this was one of the reasons the Liberals had to have a majority. But they did not get one. This is not the reason that the government is not bringing medicare in now. No one is stopping them from doing so. The Liberal government is deliberately putting medicare off for two years, they are doing that and nobody else.

It has been pointed out that this is not a bill which brings in medicare but a bill which puts off medicare for two years. It is a delaying, a postponing bill. Let us suppose that the opposition brought in the kind of amendment which this muddled government proposes to bring in. What would happen? We would have been accused across this country of putting off medicare by the same people who are now doing exactly the same thing.

Because this Liberal government is going through the motions—I repeat, going through the motions—of placing before this house a meaningless bill with the label "Medicare" printed on it, we are told that the government is bringing in medicare. What the government is doing is condemning Canadians for two more years to go on bearing the heavy cost of medical bills which the Minister of Finance has said are such a burden. He said this with a great deal of emotion at a Liberal convention in order to pacify those who want medicare to be brought in now and in order to heal the wound that has been created both in the cabinet and in the caucus.

I said at the beginning of my remarks that medical costs are a terrible burden to the ordinary family. The Minister of Finance weeps crocodile tears at a Liberal convention and agrees. The Liberals decided that everything was lovely in the best of all possible Liberal worlds, that God was in his heaven while the Liberals were in office, and they knuckled down tamely while the main plank in their social welfare platform was taken out and ruthlessly scrapped by their smiling Minister of Finance.

The Liberals promised medicare by 1967. They trooped right across this country telling Canadians they would get it. The Prime Minister of this country pledged his word. The situation now is that Canadians want medicare, that Canadians are entitled to have medicare, that Canadians should have medicare and should have it now, not in 1968.

I do not know what some of the hon. gentlemen opposite think of this, but I recall that many of them travelled about the country during the last election campaign promising medicare by July 1, 1967. It is interesting to note that on October 5, 1965, the present Prime Minister said that with provincial cooperation the Liberals hoped and expected that medicare would be a fact on Canada's 100th birthday, July 1, 1967. Well, Mr. Speaker, happy birthday to you too. What has happened to all those hopes and expectations the Canadian people held? In one word —"Sharp's" the word.

The Liberals now come before parliament in a terrible rush saying that this bill must go through. They also say that they made a mistake, that the Liberal party cannot bring in medicare by July 1, 1967. They want to be relieved of their promise but still want to get the credit. How foolish and ridiculous can a government be? This is all a mess of their own creation. The important thing now is that they are trying to use the parliament of this nation as a rubber stamp to absolve them from their sins of omission. We on this side of the house will not buy this. Canadians will not buy this because Canadians from coast to coast know what the Prime Minister promised and they cannot be snowed by this government.

• (6:30 p.m.)

Mr. Winkler: Mr. Speaker, I rise on a point of order. I do not like to interrupt the hon. member but I do not see a quorum. I think it is incumbent on the government to maintain a quorum in view of the position that was taken.

An hon. Member: The quorum is there.

Mr. Winkler: The duty is clear.

Mr. Deputy Speaker: The hon. member for Grey-Bruce rises on a point of order and points out that there is not a quorum present. It is my duty therefore under the standing orders to ask the Clerk to count the house.

Mr. Pennell: I should point out that when the hon. member for Ontario was addressing the house there was a quorum present.

Mr. Deputy Speaker: Order, please. I recognize the argument that the hon. minister is making but I point out that the attention of the Speaker has been called to the fact that there is no quorum present. That does not give rise to debate or comment. May I ask the Clerk to count the house?

Mr. Pennell: There are 20, sir.

Medicare

Mr. Deputy Speaker: Standing order No. 3 states:

3. (1) The presence of at least twenty members of the house, including Mr. Speaker, shall be necessary to constitute a meeting of the house for the exercise of its powers.

I declare the house to be properly constituted. The hon. member for Ontario.

Mr. Starr: Mr. Speaker, it is terrible that the government, which is bringing in this important bill, this bill that must be passed without too much debate, that must be put on the statute books now to bring it into effect on July 1, 1968, does not show enough interest to maintain more than a bare quorum of its members in this house.

I say to the government that it should bring in medicare if that is what it wants to call it. In fact the bill is not a bill on medicare. It is a bill to provide payments to provinces which want to institute medicare. The bill will not be universal unless every province has a scheme of its own. I say to the government, do what you said you would do. Put this measure into effect by July 1, 1967 and parliament will back it. But we will not back this government on another dodging, squirming, unprincipled retreat, because we want medicare now. All Canadians want medicare now. They are entitled to have it and this government must keep its promise.

Mr. John Gilbert (Broadview): Mr. Speaker, I would be derelict in my duty to the constituents of the riding of Broadview, if I did not express their bitter disappointment and my own at the intended postponement of medicare by the government from July 1, 1967 to July 1, 1968. For the Liberal party to campaign during the election that they and they alone would implement medicare forthwith and then to procrastinate, delay and postpone after the election has made many Canadians disgusted with their performance and has completely erased faith in the promises of the Liberal party.

The Canadian people are now fully aware of the dragging delays of the Liberal party, begun in August, 1919 by Mackenzie King and still continuing today, 47 years later, with promises still unfulfilled with regard to complete medical insurance. This indicates the patience of the Canadian people and the apathy and callous disregard of the Liberal party of their promises to the electorate.

[Mr. Pennell.]

In debating the resolution on medicare the Minister of National Health and Welfare stated as found on page 7549 of *Hansard*:

Members of the committee may be interested in knowing that some 6 million Canadians still lack any medical insurance coverage, and 3 million more have only limited coverage. Probably not more than 10 million Canadians at the present time have what could be called adequate comprehensive coverage. Those without adequate coverage include primarily residents of rural areas and people with moderate or low incomes, unable to acquire low-cost group insurance. I might mention that these figures do not include those who will benefit from the health provisions set out in the Canada Assistance Plan.

The minister is saying that 6 million people do not have coverage and that another 3 million probably have restricted or inadequate coverage. He indicated the response of the provinces to the intended medicare scheme. I quote again from page 7549 of *Hansard*:

The response from the provinces has, I must say, been most encouraging. Some provinces have already indicated their readiness to proceed by our target date of July 1, 1967. Others have not been in a position to commit themselves, although some of these pointed out that they would be able to change existing plans to meet the principles described above. I should like to state that no province has stated that it will definitely not participate although, as hon. members are undoubtedly aware, the premier of Alberta has expressed criticism of the proposal.

These statements indicate the need for medicare, and the response was set forth by the minister during that debate when the leader of my party, the hon. member for Burnaby-Coquitlam (Mr. Douglas), asked the minister when the government intended to proceed with the legislation. The minister replied:

—I am not in a position to indicate what the situation will be or at what stage we will terminate, but I should like to have second reading of this bill today if possible or before the summer adjournment. That is not a commitment on the part of the government; it is what I should like to see.

One can appreciate the thinking and the feeling of the Minister of National Health and Welfare with regard to the need for medical care insurance and the responsibilities of the different provinces. Also, when asked by the hon. member for Parkdale (Mr. Haidasz) whether the bill would be referred to the committee on health and welfare he repeatedly stated that he felt it was not necessary to refer the bill because the bill merely embodied the principles regarding the requisites for the provinces to be entitled to payment.

All this took place on July 12. We in the New Democratic party told the minister we would be prepared to give the bill second reading before the summer recess. It was not done, however, and the next announcement of government intention came not from the Minister of National Health and Welfare but from the Minister of Finance (Mr. Sharp) in early September at the end of the emergency session on the railway strike. What does this mean? It means that the Minister of National Health and Welfare carries little or no weight in the cabinet and that some of the other cabinet ministers can blandly disregard his well-meaning intentions.

• (6:40 p.m.)

It would be interesting to speculate what the present Minister of Manpower and Immigration (Mr. Marchand) would have done in these circumstances. Would he have resigned or would he do what the minister is now doing—sit in the house hearing members underline the shameless course of events and the spinelessness of the minister?

The least the government could do would be to make the Minister of Finance tell us in detail why he thinks this measure of social welfare is inflationary and back up his statement with figures, not speculative fantasies. The Minister of National Health and Welfare set forth the estimated cost of medical care insurance when he spoke during the debate on the resolution. He said, as reported at page 7549 of *Hansard*:

> It has been estimated that approximately $600 million would be spent next year on physicians' services if no change were made in the present methods of providing these services.
>
> I would ask hon. members, therefore, to compare the estimates on which we are basing public expenditures for public programs covering the whole population if these go into effect next year, namely, a total of $680 million including the provincial share of half the costs. Thus, by redistributing the estimated $680 million and adding another $80 million, all residents of all provinces of Canada will have physicians' services available to them.

This indicates that all we are talking about here is the sum of $80 million and I ask: Is this inflationary? If the estimated cost is $680 million and the Canadian public spends, by and large, $600 million, all we are talking about now is the difference between $600 million and $680 million. There are many ways of taking care of this small amount. One is by means of government savings in all departments. Doubtless the savings brought about as a result of the integration policies of the Minister of National Defence (Mr. Hellyer) would in themselves amount to double the $80 million required.

Opponents of medicare have made many statements about the additional services medicare would necessitate. It would be as well to remind ourselves again of the experience of Saskatchewan where full medical insurance has been in effect since 1962. In an article which appeared in one of our periodicals under the heading, "Saskatchewan Medicare Costs Now Actually Going Down", we read the following:

> Opponents of medicare who prophesied that the cost of a comprehensive plan, like the one set up by the former C.C.F. government in Saskatchewan, would steadily mount, are being confounded by the facts. The costs of the medicare plan in Saskatchewan are now actually going down.
>
> The Liberal government of the province, upon taking office, raised the premiums without waiting to find out from experience if it was necessary, but they found no reason for any further increase and have announced that the premium rate for 1967 will be the same as for 1966.
>
> When the C.C.F. government first set up the plan the rates for combined hospital and medical insurance were $72 for families and $36 for single people. After the plan was well launched the C.C.F. reduced the premiums to $52 for families and $26 for single people. When the Liberals took office in 1964 they almost immediately raised the rates again to their original level. Now they are making money on the plan and may have to face a public outcry for a return to the lower level set by the C.C.F.
>
> The strongest indication that the plan was being successful in every way came at the time of a meeting of the general council of the Canadian Medical Association in Edmonton this summer. At that time Dr. E. W. Barootes of Regina, who had been the most vigorous leader of the opposition to medicare, told his colleagues that some of his profession's fears about medicare had proved unfounded.
>
> Dr. Barootes made a courageous admission when he said, "Some of the qualms we have had have been disproved and some of us should revise our thinking."
>
> "The idea that total medical care results in constantly mounting costs has been shattered," he said. The fact is, he said that the total cost of Saskatchewan medicare dropped last year by $500,000 from $23 million to $22½ million.
>
> He said in an interview later he could not explain why medicare costs have not shot up as he and other doctors had predicted. He said it may be because Saskatchewan residents have been saturated with medical service—that they now have been treated for all the ailments that, before medicare, went untreated.

When one compares the rates of medicare insurance in Saskatchewan with those in effect in Ontario some startling figures confront us. In Ontario, for hospitalization a single person pays $39 a year and a married person with children pays $78 a year. Under

the medical service plan commonly known as OMSIP, a single person pays $60, a married person $120 and a married person with children $150. If we add up the cost of hospitalization and medical insurance for a single person in Ontario we find it amounts to a total of $117. A married person with no children pays $198 and a married person with children pays a total of $228.

If we compare this with the rates in Saskatchewan, $72 for a married couple and $36 for a single person, we can well appreciate why so many people in Ontario are anxious to have this federal medical care insurance plan implemented immediately. It would mean that the people of Ontario would find their premiums cut by 50 per cent at least, with consequent relief from some of the financial pressure caused by the high cost of living.

We in the New Democratic Party were hoping that the legislation would be open-ended so that the provinces would have an opportunity to include among their services dental care, optometric care, chiropractic care and any other necessary services which would advance the health and well-being of the people. We feel that the government should make such changes in this legislation as are necessary to provide for the inclusion of these services as they become available in the provinces.

Many Liberal speakers, especially those on the back benches, have underlined their faith in the principle of medicare during the course of this debate and have expressed their regret that the government does not intend to make the legislation effective on July 1, 1967. They have full right to do so. But their speeches are indicative of the disregard which members of the cabinet, particularly the Minister of Finance, have for their views.

• (6:50 p.m.)

Some backbenchers have indicated in their speeches that we in the New Democratic Party are filibustering and holding up an increase in pensions to senior citizens. This is not so, Mr. Speaker. According to the government the medicare legislation will not come into effect until July 1, 1968, so time is not of the essence, even according to the government itself. With respect to blocking any pension increase for our senior citizens, legislation to provide for that could have been introduced at the commencement of the session when the opposition parties moved an amendment and subamendment to increase old age pensions to $100 a month at age 65. But this the government rejected. At no time have opposition members raised any blocks with regard to legislation that could be introduced to take care of our senior citizens. Therefore the fault lies not with the opposition but fully with the government.

The Minister of National Health and Welfare would be helping many Canadians, more especially those Canadians who are not covered and those who have restricted and inadequate coverage, if he were to make the effective date July 1, 1967. He would also establish his position as a Liberal leadership candidate by showing members of the house his determination to lead in something that he has believed in, something he has fought hard for, and something he has now been pushed back on. We in the N.D.P. will give full support to the bill on the basis of the legislation being implemented on July 1, 1967.

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I had not intended originally to become ensnarled in this debate but some of the remarks I have heard from my left and from the government side of the house require that I should try to straighten out the thinking of those hon. members to a slight degree, if this is possible.

I must say, in view of the statement made by the house leader about the urgency of this debate, that I as a new parliamentarian found it rather strange that he and most of his colleagues immediately left the house, leaving only one member of the cabinet in the chamber. Apparently the urgency does not extend as much to the government as it does to the other side of the house.

Since I come from Saskatchewan—I believe I am the first from that province to speak in this debate—my views will naturally be coloured to a certain extent. We do have comprehensive prepaid medicare as you, Mr. Speaker, have heard from some hon. members. All is not sweetness and light as they, of course, would have you believe, but it is a plan that is working, a plan which no one in our province would ever change except to improve it. It is a plan with which the majority of the doctors are now quite satisfied, and most certainly the patients are satisfied.

My hon. friends in the N.D.P. are so fond of taking credit for implementing this scheme, but I would point out to them that it took 23 days of withdrawal of service and numerous arguments, negotiations and so on

before a plan was arrived at that was acceptable to both sides, something that the hon. member for Burnaby-Coquitlam (Mr. Douglas)—I am sorry he is not present—is fond of forgetting. However, I was happy today to hear the hon. member for Kootenay West (Mr. Herridge) point out that it is he, and not some of the others in his party, who is the real pioneer. But I found it rather strange that when he was a pioneer he was a Liberal. Nevertheless, to him I extend my congratulations and best wishes on being the true pioneer in this house, having supported medicare since 1919 and in the election campaign of 1921. Incidentally, I am one of those who were not around when he was supporting it.

With respect to the decision to delay the introduction of medicare, I support the remarks of the hon. member for Ontario (Mr. Starr). I think it is wrong for the government to delay this plan. As you can understand, Mr. Speaker, my remarks are perhaps coloured a bit by my experience in Saskatchewan, but all this delay is going to mean to my province is that we are not going to get $14 million, $14 million we need and need now, to take care of some of the deficiencies of the plan brought in by the government of Saskatchewan, deficiencies because of the fact that the provincial government of that day, as with the federal government of this day, did not listen to reason, did not listen to some of the problems placed before it by the medical profession.

I am not speaking, as has been suggested about the hon. member for Simcoe East (Mr. Rynard), for the Canadian Medical Association. This is a red herring that is always thrown by socialists into any debate involving medicare. As a matter of fact, I am a little surprised that they are not claiming the American Medical Association is in on this as well, because they certainly did that in 1962 and previously.

The government claims that the delay is due to inflation. I am not going into all the reasons that have already been given as to why the delay has nothing to do with inflation, but I can say just one thing, that the simplest method to control inflation, as most economists would agree, is to increase taxes. That is a simple economic fact of life, and to bring this plan into being the government will have to increase taxes. I am sorry the sharp Minister of Finance (Mr. Sharp) is not present so that I can point this out to him.

There are other reasons, Mr. Speaker, and some of them have to do with points in our amendment such as the shortage of doctors. But before I deal with the amendment proposed by the hon. member for Simcoe East I would like to point out what we would have done and what we will do when we get the money from the federal government as its payment for medicare. I and other hon. members outlined some of the deficiencies back in July when the resolution stage of this bill was being debated, and I would like to mention a few briefly.

Under the present plan in Saskatchewan, which I am sorry to say does not provide the quality of care that we would like, we do not have sufficient doctors. Some hon. members from Ontario say that this is a specious thing to talk about. As recorded at page 8641 of *Hansard* for October 13, the hon. member for Hamilton South (Mr. Howe) referred to "the old cliché that there is insufficient personnel to handle medicare at the present time." He went on to say, "I am fed up with this old cliché."

I would point out that Ontario has a ratio of one doctor to every 756 people. Saskatchewan, with a medicare plan, has a ratio of one doctor to 1,100 people, and in the maritimes the ratio is about one to 1,900 or more. It is all very well for this hon. gentleman, who practices medicine in the province of Ontario where they have a much better doctor-patient ratio, to say it is an old cliché, but in Saskatchewan it is a fact and in many other areas of Canada it is a serious fact. In Russia, for example, the ratio is one to 550. The hon. member says it is an old cliché. Really. Far from being a cliché it is a very serious problem indeed.

There are deficiencies in the Saskatchewan plan. There are deficiencies in proper care for the chronically ill, in home care programs, and in nursing homes with proper rehabilitation facilities. We need proper clinics for the mentally ill. We need all these things but we do not have the money to provide them. We need equipment for our hospitals. And in case there are those who have not heard that medicare, unless it is properly brought in, results in deterioration, let me cite a few specific examples.

• (7:00 p.m.)

Because of the lack not only of personnel but also the lack of facilities in our University Hospital in Saskatoon this year, accreditation by the specialty boards has been removed in all except one or two specialties that were training specialists at this hospital. It has been removed because they feel there

is not sufficient personnel. We do not have the money to obtain the personnel nor do we have the money to keep them there—and I will go into that a little later. We do not have the facilities. There is a serious deterioration in the quality of care. The government wants us to train more doctors, but as a result of lack of funds and a lack of proper planning we are in no position to train them.

I have heard hon. members say that we need more general practitioners. Yes, we do; we set up this medical school in Saskatchewan for this purpose; but as a result of lack of facilities and many other things in that province, what do we have? We have a situation where, while formerly 46 per cent of our graduates remained in our province, now the figure is well below 25 per cent. It has been going down in the last few years. What has this government proposed? I am sorry to see that neither the Minister of National Health and Welfare (Mr. MacEachen) nor his parliamentary secretary are here. I think these are the two persons who should be learning what is happening.

Mr. Pennell: May I say, Mr. Speaker, that I have a watching brief for the minister and I am following very carefully the interesting remarks of the hon. member.

Mr. Brand: I am glad to hear this, and I am sure that the minister's discussions with the Minister of National Health and Welfare will be of benefit to that minister. I am optimistic. What about research. We do not have sufficient research facilities in Saskatchewan. I heard the Minister of National Health and Welfare make statements about the health resources fund and these other funds which will provide money for research. I have somewhere placed on the record—and I could read it into the record again if it is so desired—the discrepancies between what this government proposes and what has been proposed by the Wood Gundy report, the Canadian Association of Medical Colleges and the Canadian Association of Clinical Investigators. It has been pointed out that we need much more than has been provided so far. Because in Saskatchewan—and this is true also all across Canada—we have this lack of research and we cannot get the clinical teachers we need. I am going to go into that in a little more detail in a moment.

May I make a proposal which I hope will be carried to the minister. I am sure, according to some of his remarks, that he would have no objection to this. I should like to see made available now this $14 million which our province needs. We need it to round out our medical plan. I should like to see a medical research fund set up in our province. I should like to see $7 million or $5 million of the $14 million put into this fund to provide a ready source of immediate funds for research, so that we could attract doctors back into our province, those who have gone to the United States. Seven million dollars is a lot of money, but it is what we need. I may point out that only 12 million is to be paid out by the medical research council for the whole of Canada; but I would like to see $7 million brought into Saskatchewan so that we will have an opportunity to attract proper teachers to our medical school. This would enable them to obtain the kind of assistance which is needed in research. Just as it is needed in every other part of Canada, we need it now, and not in 1968.

While I am on the subject of 1968, I wonder just what the date really will be when the government will bring this in. There has been enough said on this subject. They have promised this and promised that. What guarantee do we have that this promise will be kept, any better than the others we have heard before. I think we need it now. I see that the minister now is in his seat and has with him his legal advisor. Perhaps he will agree that he has said that so long as the provinces comply with the four criteria he has laid down we can take the money for medical care and use it as we see fit, and that none can be taken back. We do comply with this in Saskatchewan. I take it that the minister now has the impression I am in favour of the principle of prepaid medical care.

As soon as this bill is in effect Saskatchewan will be in a most fortunate position, because we have the $7 million to put in the research fund and the other $7 million we hope to use to fill in the other gaps in respect of the supply of equipment for hospitals, to take care of the operating costs and the costs of research at the University Hospital and other hospitals, and also to take care of premiums for those who still, despite the widespread nature of the plan, have a great deal of difficulty in paying the premium in Saskatchewan.

This is all right for Saskatchewan. We are going to be in a very fortunate position. There is a proviso, of course—as to whether the present premier will see the light; and he has not yet done much about research or

anything else. Since it is all right for Saskatchewan, what about the other provinces in Canada? Since taxes will be collected from all parts of the country, is it not reasonable to assume, if the funds are used for research, for the training of doctors, for the bringing back of teacher-scientists for training of ancillary personnel—and you could go on—that the government should allow the provinces this money to take care of the plans they do have?

I think it is iniquitous that there should be an idea that the government will take the money from them, and then say: "Either you do exactly as we say or we will not give you any money at all." I think this is wrong. I should like to take a look now at our amendment, to show why I support this amendment. In this I am sure I will be agreeing to a large degree with the remarks made by the hon. member for Ontario (Mr. Starr). The amendment, as set out at page 8618 of *Hansard* of October 13 reads as follows:

> This house, while of the opinion that provision should be made for medical services to be available to all Canadians at an adequate level on a prepaid basis, is nevertheless of the further opinion that no legislation for the provision of insured medical care services in Canada will be satisfactory unless it:
>
> (a) secures co-operation of the governments of the provinces of Canada;

I merely echo the words of my colleague for Ontario when I say that surely this is basic to any plan, any plan that will work in this country. Without this co-operation how is the government going to get portability. It must have the co-operation of the provinces and these provinces should have the opportunity now to discuss this with the minister and with the government in the long, long time before this will be made law by the present government. Then turning to paragraph (b):

> (b) recognizes the principle of voluntary choice by the individual:

• (7:10 p.m.)

I think that is also basic. The minister has said, and I can quote him if he likes, that there is no problem in respect of choice. When I questioned him on July 12 in the house I asked him how we could have a voluntary choice for the physicians when their services are insured. After all, the government is insuring people against the cost of medical care, as its bill suggests—and I will discuss this in greater detail at the committee stage—but then it goes on to suggest that physicians' services will be insured. Any physician who takes out somebody's appendix or tonsils, or in the case of some members of this house, a larynx—and that might be very beneficial to mankind—he is performing an insured service? In spite of this the government is outside of this act. How could he do so when everything he does in his profession is an insured service? In spite of this the government calls this an insurance program, and I cannot understand that.

What are they insuring? Are they insuring people against the cost of medical care, as members of the N.D.P. have said, or are they insuring the doctors' services so that each and every doctor will come under the direct control of the provincial government of the province in which he carries on his profession, and the control of the federal government as well?

The minister said that every doctor will be free to practise outside this plan if he so desires. Let me point out that in the province of Saskatchewan doctors can practise outside that provincial medical plan because doctors' services are not insured. In Saskatchewan the people are insured against the cost of medical services. This is a point which I will discuss in greater detail at the committee stage.

A great deal has been said about the fact that we should recognize the principle of voluntary choice by an individual. We should recognize that principle in those provinces which feel that this is the kind of plan they want. In spite of my objections I will, like the hon. member for Ontario (Mr. Starr), support this bill because I believe in its principle.

Paragraph (c) of the amendment states that no medical care service will be satisfactory unless it—

> —makes adequate prior provision for sufficient medical research, the training of adequate numbers of doctors and other medical personnel.

Let me read into the record two paragraphs from the summary which appears at the beginning of the Woods Gundy report, which is entitled "Medical Research in Canada; An Analysis of Immediate and Future Needs". The first paragraph begins:

> Medical research is essential to the provision of high standards of medical education, health services and health care. This fact must be recognized in any programs aimed at broadening health services and raising health care standards in Canada. If these are to become objectives of public policy, provision must be made for expansion of medical education in Canada and this, in turn, necessitates a greatly expanded scale of medical research effort.

The Royal Commission on Health Services recognized the need to expand Canada's output of physicians to overcome a prospective deficiency between physician supply and requirements. The task of expanding Canadian medical education facilities is made even more urgent by the likely introduction in the near future of a comprehensive medicare program.

This is a pessimistic report, but when it says that a comprehensive medicare program is likely to be introduced in the near future, surely it is optimistic.

The report then continues:

It takes eight to ten years to plan, build and recruit staff for a new medical school and to graduate its first class, and a further eight to ten years for such graduates to become trained teacher-scientists that will staff new schools.

The minister is well aware of this fact because he pointed out when he spoke to a dental convention in Halifax in June that it would take 20 years to provide enough dentists to increase the dentist population by 5 per cent or 10 per cent. He now proposes to double the doctor population in a year.

At page 2 of this same report the following is stated:

Medical research is inseparable from medical education at the level of under-graduate, post-graduate and continuing education. Teacher-scientists provide the research-oriented education that is appropriate to medicine and science in universities today. It is essential that Canadian universities be staffed with leading teacher-scientists if they are to train effectively new generations of physicians and scientists in their rapidly changing fields.

I will skip a line or two and read the next paragraph as follows:

Medical research is therefore a key consideration for the expansion of medical education and for the development of future health services in Canada. Immediate provision of expanded programs of medical research is required if future physician requirements are to be met and if standards of health care are to be safeguarded and improved.

Let me point out that this is a basic difficulty which faced the national health services in Great Britain. I am sure the minister has seen the editorial which appeared in the *Gazette* on Wednesday, October 12 of this year, which reads in part as follows:

In Great Britain, the 20-year-old national health scheme has helped to promote real difficulties in personnel. Only last month the health minister, Kenneth Robinson, admitted the shortage was becoming acute. The British Medical Journal said recently 550 doctors left Britain last year. In mid-September a record 600 British doctors took examinations in London to qualify for practice in the United States.

I will not read the whole editorial as I am sure the minister has seen it, but I think it would be appropriate in view of the situation at hand to read the last paragraph, which is as follows:

[Mr. Brand.]

It may be hoped that between now and July 1, 1968 there will be more discussion about the real issues which medicare raises, and less about the secondary ones; more about substance, and less about style.

The heading of that editorial is "Not Just When But How". I have heard a great deal of talk during this debate about when this scheme is to be instituted, but very little about how it is to be instituted. We in this party have said a good deal about how it should be instituted, in fact so much so that I felt perhaps we should refer our suggestions to the minister on indian affairs.

Let me read one line from page 3 of the Woods Gundy report as follows:

Although financial support has been increasing, medical research in Canada today is being conducted on an inadequate scale.

The report then quotes from the Royal Commission on Health Services, which has been quoted often during this debate. The debate is beginning to sound like an evangelical meeting at which everyone is fighting with everyone else to ascribe different meanings to the Scripture they are quoting.

Let me point out that this is an excellent report from a commission that was established when the right hon. Leader of the Opposition (Mr. Diefenbaker) was prime minister. This is a report to which we subscribe; but we read it in full, and I will have a few more words to say about that before I conclude.

The report then states:

A substantial increase in capital and operating support for medical research in Canada is needed at once.

• (7:20 p.m.)

I do not think there is any question about this. I can quote extensively from this very excellent report which, incidentally, was not paid for out of government funds but was a result of the co-operation between the Association of Canadian Medical Colleges and university teachers. It is very commendable indeed that they brought in this most excellent report.

In the summary on page 45 of this report they say:

Deficiencies exist, however, at all levels and in all categories of support—

Here they are referring to support for research. They go on to say:

And it is apparent that these deficiencies stem more from a shortage of funds than from a lack of scientific merit in the applications.

In other words they point out that a lot of these various difficulties in research have been caused by a lack of funds. I can give hon. members the statistics, but they are very long so I will not bore the house with them. The report goes on to say:

> This lack of fuller support for medical research in Canada has a serious effect on the individuals conducting, or considering engaging in, medical research. If a major expansion in their numbers is to be brought about, the degree of support must be greatly increased above present levels.

The minister will undoubtedly say that the answer to those problems is to be found in the health resources fund bill, which, however, does not deal with the operating costs necessary for research. The Royal Commission on Health Services points this out on page 113, volume 2, where it is said that the operating cost was found to be 28.2 per cent of the entire operation. The minister will agree that this is a very substantial amount. We know that the projections of researcher requirements are much higher than allowed for by the government, and that is why our amendment reads—

> (c) makes adequate prior provision for sufficient medical research,

I could read all of this subclause into the record, but I already did this when speaking previously on this bill.

A few minutes ago I said I thought it would be useful if we in Saskatchewan could use the money for setting up our own medical research fund. The Gundy report suggests at page 65 that the federal government is not alone in its concern. It uses the expression "for scientific development, and within that broad field for medical research." And it continues "As has been observed, provincial governments are also interested in setting up their own funds for this purpose." And I suggested a method in which this can be done. I could go on at length but I do not think this will make the point any clearer.

I now wish to deal with the fourth part of our amendment, which reads as follows:

> (d) Immediately provides for those persons who are unable, for financial reasons, to provide medical services for themselves.

Mr. Speaker, I think this requirement also is a basic one. I have heard a lot of pious statements from the left side of the house regarding how tough it is going to be for the people who are not able to afford medical care. I agree with that statement. But then hon. members from that party go on to say they will not support an amendment which provides for this category of people. I cannot understand this attitude, in view of this statement by hon. member for Winnipeg North Centre (Mr. Knowles) on October 13 as reported at page 8620 of *Hansard*:

> This is a sad day, because the action of the government in proposing the postponement of medicare for a year is a discrimination against the needs of the people in this country, particularly their medical needs, and I refer particularly to those people who cannot afford the medical care they require.

We on this side of the house agree with this statement, and that is why I wish to ask hon. members of the New Democratic Party whether they do not also agree that this is a necessity which should be provided now.

On page 8620 of *Hansard* the hon. member for Winnipeg North Centre said:

> We want this bill to go through and we are prepared to vote for it, but when we vote for it we will be voting for it in its present form.

Of course he is referring to the fact that his party does not wish this legislation to be deferred. However the hon. member is not prepared to vote for our amendment because he thinks we are trying to stymie medicare. This is not so, Mr. Speaker.

The hon. member for Waterloo North (Mr. Hymmen) quoted a passage from the Hall report which I now wish to read, and which was also referred to by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and the hon. member for Kootenay West (Mr. Herridge). It appears on page 8680 of *Hansard* and is as follows:

> While we are aware that shortages of physicians, dentists, nurses and other paramedical personnel will make it difficult to establish the full personal health services program our charter envisages, none the less the fact that there are shortages must not be used as an excuse to delay initiating programs and plans.

We agree with this absolutely. The hon. member went on to say that we are using this to try to kill the bill, and to try to delay everything. The contrary is true. We think there should be no excuse for delaying the initiation of programs and plans. We want the scheme started now. These two hon. members forgot to quote the rest of the passage, which I happen to have in front of me. I will quote from the Hall report, part of which appears on page 7585 of *Hansard* of July 12. I do not like quoting myself, but since this passage is the handiest one at the moment I will do so now.

I am quoting from the Royal Commission on Health Services, page 1, volume 2, where it says:

> We consider quality as the most essential element in health services, and every aspect of the programs must be constantly directed to that end.

A few lines further on they say:

> Quality depends primarily on the supply, availability, knowledge, skill, and dedication of professionally qualified personnel, second on the facilities at their disposal and third on the organization of the services.

Those are your priorities: first, supply; second, facilities; third, organizations, and in that order. Those who use the Hall Commission report as their bible should pay some attention to the report and should not quote it out of context. When we say we are in favour of starting programs and plans now, we mean it; we mean now—not in 1968 or on whatever other date the Minister of Finance (Mr. Sharp) will decide. Of course we do not know it because who can read his mind.

I must confess that I consider the speech made by the hon. member for Cartier (Mr. Klein) to have been one of the most fatuous speeches to which I have ever listened. I am amazed at some of the statements he made. For instance he mentioned that we should cut down the standards of medical care and let more people in so we can have more doctors. Does the hon. member mean to tell me this could possibly be the government's policy, that what we want is just quantity, not quality? I could not believe my ears when I heard this in the house yesterday. He made some further comments which are quite beyond belief. I do not think they are even worthy of comment. I sincerely hope, for the sake of the hon. member's profession, that the same does not happen to his particular profession of law.

In summary, Mr. Speaker, I will say that I do not believe that this bill need be delayed. I think this is a smokescreen to cover some of the difficulties that have occurred in the cabinet. It is a smokescreen to cover up the fact that we do not have enough doctors to properly implement such a plan, and we do not have the co-operation of the provinces. Just imagine: We are unable to bring in a medical care plan now to cover those who are in need, and this during a time of prosperity. If we cannot bring it in now, I ask you Mr. Speaker, when we will be able to do so. Will it be in 1968, 1969, 1970 or 1975? This complete disregard of those who need help now is something to which we on this side of the house will never subscribe.

• (7:30 p.m.)

There are those who say we are trying to kill this bill by the introduction of an amendment. I ask them to go back to the railway legislation and the amendment introduced on

August 30, 1966. This amendment can be found at page 7804 of *Hansard*, and reads in part as follows:

> This house declines to proceed with the second reading of a bill—

Surely that amendment and the subamendment moved by the hon. member for Burnaby-Coquitlam (Mr. Douglas) would have had the effect of killing the bill. Evidently they believe it is all right to do this in connection with the railways, but not medicare. As a result of those amendments we got a bill that was at least acceptable to the railway workers, so why can we not get a bill which will be acceptable to the people of Canada and to those who have to provide the service?

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member but the time allotted for his speech has expired.

Mr. Barry Mather (New Westminster): It is not my intention, Mr. Speaker, to repeat at any length the criticisms my colleagues have so ably made of the government's failure to proceed with medicare. I do not think there is any need to reiterate the fact that the government has actually reneged on a rather basic undertaking to the Canadian public. Nor is there any need for members on this side of the house to emphasize the fact that many members, particularly the backbenchers on the other side, are embarrassed by the situation in which they find themselves. There is no need to say again and again, as has been pointed out by many members, that government spokesmen have not really given any realistic explanation of why after all the promises, the government is not going to proceed at this time, with medicare. Certainly, there is very little need to underline the fact that the failure of the government to go ahead, as they had undertaken to do, is leaving a great many Canadians in need of medical care, without that care.

I noticed in the newspapers today, Mr. Speaker, that the Canadian Medical Association, a body not usually given to enthusiastic support of the principle of medicare, has said that the government by its failure to go ahead with this undertaking to introduce a comprehensive universal medical plan, is leaving some five million people who really need medical help right now without that help. I have no doubt that the Minister of National Health and Welfare (Mr. MacEachen) and some of his colleagues in the cabinet have already brought these or similar

facts to the attention of the Prime Minister (Mr. Pearson) and his colleagues. I think a good many members on the other side of the house, well meaning people, who really want to see medicare brought in, just as we do—and as the Conservatives do, if I can accept their word for it—are feeling rather embarrassed and rather miserable tonight as a result of the situation in which the government finds itself.

I have no wish at all to add to that embarrassment. I want to say that, do what we will in the New Democratic Party, which I think it is fair to say is the only party in the house at this time which stands clearly for the introduction of a comprehensive universal health insurance plan by the government on the proposed date, we are not going to be successful in stopping the retreat of the government from this undertaking. The government is going to be successful one way or the other in shelving for a year or a year and a half, perhaps more, the implementation of a system that is so much needed in this country and which it is so obviously appropriate to introduce right away.

I have heard arguments about the need for medicare or health insurance by people who do not say exactly "no" to it but who certainly say "whoa" or "slow", and I believe these arguments sound very much like the arguments I have read and which were expressed nearly one hundred years ago concerning universal, comprehensive education. The same sort of criticism was expressed about that plan. There is no question but that there is a need for health insurance in Canada. There is no question that we can supply it. Nor is there any question that if we do so, collectively, we can save money and get better results for all those concerned.

I wish to say, Mr. Speaker, that having made very little criticism of the government for its failure to act, I have a proposal to make to it at this time. I suggest that they give consideration to this proposal, namely that on the date originally scheduled by the government for the introduction of this comprehensive universal medical plan in Canada, we make a decision in the house to introduce a federal-provincial medicare program to cover at least all those citizens who are 60 years of age and over. I have three reasons for making this proposal. In the first place, such a plan would at once reduce the cost of living, and in some cases the cost of dying, to a great number of people in Canada. A great number of these people are those who are least able to afford the cost.

Second, if the government should make a start next year upon medicare for all those citizens over 60 years of age, this would improve our national health. If a comprehensive medical plan were put into operation it would permit the cure and prevention of disease, thus easing the health problems of a great number of our citizens in the age group I have mentioned.

Third, Mr. Speaker, it seems obvious that if we are going to make a start, even at the postponed date in 1968 which the government has suggested, it would probably be a practical thing for us to introduce a plan of health insurance across Canada for the age groups of 60 and over, so that we would have a practical test run of health insurance in this country. So, Mr. Speaker, without more criticism of the government or anybody else in the house, I leave the idea that if we cannot proceed with the national medicare plan on the date originally planned, at least we should give consideration to implementing that plan for all those citizens 60 years and over, beginning in our centennial year.

• (7:40 p.m.)

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I wish to congratulate the hon. member for Saskatoon (Mr. Brand), in whose speech I took particular interest. I was very much impressed by his convincing argument and sound logic put forward with full professional medical knowledge. I also congratulate all other members who have taken part in this dabate.

I am a layman with no qualifications to speak in medical terms and with a limited knowledge of many of the references that have been made, so I am going to put forward by argument to the best of my ability from the standpoint of a layman-citizen-taxpayer of this great country of ours.

I followed with interest this debate on medicare, which concerns a subject vitally important to all of us, affecting as it does every citizen of Canada both today and in generations to come. One theme running through the whole debate to which I believe all in this chamber would subscribe is the need for a medical health plan. As we approach our centennial year, for the good of the country and in the interest of unity among the people we should have a functioning medical plan by 1967. But the government says no; it balks.

At this point I should like to refer to an editorial which appears in this evening's issue of the Ottawa *Journal* entitled "A strange promise on medicare". I should like to attach

a little footnote of my own and entitle this editorial "The psychics and their indecision". Because the government through their action are qualifying themselves to become psychics, to be seers into the future.

The article begins:

> The curious noise heard across the land last week end was that of Liberals purring in satisfaction that they had been so courageous and wise as to postpone medicare for a year, from July 1, 1967 to July 1, 1968.
>
> We must put the country's welfare first, said Mr. Pearson proudly, and so said they all, all proudly.

Is not the medical health of the nation the most important welfare consideration in the country? The article continues:

> The *Journal* believes it was wise to postpone medicare. But what are we to make now of the Liberals' all-out pledge to bring in medicare July 1, 1968?
>
> They seem to be saying this:
>
> "We can't give you medicare now; with inflation and our general financial position as it is it might be fatal to the national interest. But we will give it to you without fail not later than July 1, 1968".
>
> Presumably on that magic date—

—and this is why I call the members of the government psychics—

> —no matter whether inflation is worse or trade has gone to pot—come hell or high water medicare will be given us July 1, 1968, the national interest be hanged.
>
> This is pitiful policy, reckless promising.

I could go on, Mr. Speaker, but I will just quote the last paragraph of this very sound editorial.

> It is annoying to the average Canadian to have his leaders speak to him as though he were a nincompoop. This unnecessary promise must also be annoying to the provinces which are by no means in agreement with the government's medicare scheme even now and who in a year and a half could be still less in agreement.

I am sure, Mr. Speaker, you would agree with me about the folly of passing a bill at this stage which will not come into effect until July of 1968. Many of my colleagues have risen to support the amendment that has been so ably presented by the hon. member for Simcoe East (Mr. Rynard). We have heard the Minister of National Health and Welfare (Mr. MacEachen) boasting of the brevity of his bill—only nine clauses, he said. As a medicare measure dealing with the health of 20 million people inhabiting an area of $3\frac{3}{4}$ million square miles, the bill certainly does not qualify in that regard.

Bill No. C-227 is simply a financial measure. It refers to such terms as "the insured person", "contributions", "the calculation of contributions", "advances" and "payments". The reason that the bill clings to this narrow language is that medicare is not a federal responsibility. In other words, the federal government cannot compose and put before this house a bill containing numerous clauses dealing with medicare because the entire responsibility for medicare lies with the provinces. All legislation regarding the health and welfare of the people comes within the power of the provinces. Yet this government—and this is typical of their legislation in the past as well—tries to impose Bill No. C-227 upon all the provinces of Canada. I say that this will not work.

The Minister of National Health and Welfare has my political sympathy in that again he has been frustrated by the Prime Minister (Mr. Pearson) and by the upper echelons of the cabinet. The Minister of Finance (Mr. Sharp) has spoken. Medically speaking, he has assumed the role of the great witchdoctor of the Liberal party and of the cabinet. He has even put on the record implausible excuses for postponing that for which the people of Canada were hoping. He uses the unsound excuse that medicare will contribute to inflationary tendencies.

Why did the Liberals not say this when they were advocating medicare one year ago? If the Minister of Finance knew that medicare and inflation are directly related, he should have made allowances for this not only in the election promises of the Liberals last November but also in the legislative program that now ensues, or that the Liberals are contending ensues. The excuse of the Minister of Finance is simply poppycock. The people of Canada, provincially, collectively, geographically and individually are too intelligent to have this poked down their throats, Mr. Speaker.

The Prime Minister, the members of the cabinet and the government have painted themselves into a corner. In their election promises the Liberals promised that priority would be given to medicare. Why, then, did they not give priority to medicare in their legislative program? This is nothing but a grand deception, Mr. Speaker, to delay the adoption of medicare on the ground that it is inflationary. The Liberal party cannot be depended upon any more, as far as the electors are concerned. That statement was made by one of their respected delegates to their recent convention held in this city.

The Ottawa *Journal* for Thursday, October 13, quotes a delegate from Oshawa to the recent Liberal convention as saying this:

• (7:50 p.m.)

Voters treat our candidates with a considerable amount of scorn. We can't put up our candidate as a man of confidence, judgment and influence and be believed any more.

It is regrettable, Mr. Speaker, that such a great party which has done so much for our great dominion, has now sunk to such an unreliable level because of its fooling around with the rights and wishes of the Canadian people.

The house has agreed that medicare is a provincial matter. Of course, the federal government has jurisdiction over the health of the peoples inhabiting the Yukon and the Northwest Territories. On the recent trip made to the Arctic by the committee on northern affairs and national resources, of which I have the honour to be a member, it was found in many areas that there was a lack of general health services for the Eskimos and the Indians. We found the medical services in the town of Frobisher Bay rather good, but the remainder of the eastern Arctic depends on the ship *C. D. Howe* which calls once a year to bring medical attention to the outposts. This ship, which costs $15,000 a day to operate, was stuck in the ice for 15 days in 1965. I remind the house that at that time it was unable to bring the vital medical services to the Eskimos of Baffin island and to those of the eastern Arctic. I found by asking questions at a meeting held with the Eskimos at Frobisher Bay that there is no doctor, and no medical service of any kind at Clyde River, which is an outpost of 300 people on the upper coast of Baffin island on the Canadian side of Davis strait. Medical services are needed immediately at Clyde River and at another point called Pond Inlet, which is a village of 250 people.

We found that medical services in the central Arctic were intermittent and not as effective as they should be. The public health nurse at Fort MacPherson on the Peele River in the Mackenzie delta has a transportation problem and badly needs a car for transportation services for the Indian patients. I would hope that the Minister of National Health and Welfare would take note of this and see that this problem at Fort MacPherson is solved.

I have said that this bill is strictly a financial measure. It is also a discriminatory measure in that it does not democratically define the term "medical practitioner". It is discriminatory against the optometrists of Canada. This is a shame, since so many people need and use the services of optometrists. I now quote from a letter received by all hon. members I presume, from the Canadian Association of Optometrists, 807 Metcalfe Building, here in Ottawa:

To put it bluntly, the medicare bill, which is Bill 227 and called the Medical Care Act, discriminates against optometrists, and their patients. It also discriminates against other health professions which regularly perform services which are also performed by physicians.

The letter quotes clause 2(d) of the bill and comments as follows:

The stickler is that all services, including those of ophthalmologists, will be covered. And who will decide which services are "medically required?" As it reads, 2(d) advocates discrimination against optometrists, and their patients.

Next the letter quotes clause 2(f), which reads:

"Medical practitioner" means a person lawfully entitled to practise medicine in the place in which such practice is carried on by him;

The comment of the Canadian Association of Optometrists is that they will be pushing strongly in Ottawa to have this definition amended so that it will read that for the purposes of the act a legally licensed optometrist will be regarded as a medical practitioner, as he should be regarded.

I quote again from their brief, where they confirm that—

—unless the bill is changed the following can be expected to happen:

The public will be deprived of its traditional and fundamental right to freedom of choice of health practitioner. Optometric patients (almost six million, or 65 per cent to 70 per cent of Canadians who seek vision care) will be influenced to quite naturally seek out the favored-by-legislation practitioner, i.e. the medical practitioner.

Optometrists would be placed in the suicidal position of having contributed to public funds which will be used to drive patients out of their offices.

What a chaotic situation this bill will create in that respected profession. To continue the quotation:

It will have a serious impact upon the number of young people coming into optometry. There would be little incentive to study for five years to become a member of a profession legislated to fade from the scene.

It will provide a service which if restricted to medical practitioners will be unavailable to a great proportion of the public, particularly outside the metropolitan areas. The optometrist is the only vision care practitioner in 60 per cent of the communities where there are optometric practitioners.

There are almost 1,500 optometrists in Canada and only around 300 certified ophthalmologists. The need for both practitioners seems obvious.

We recommend that the restrictive and discriminatory elements of the bill be removed and that the definition of "medical practitioner," for the purposes of the bill, be changed to include optometrists.

I am sure the house will agree with me that the recommendations and request I have read are reasonable. Then according to clause 2, paragraph (f) of the bill, eye examinations cannot be conducted except by a medical eye practitioner or ophthalmologist. Such person is not the only person licensed to provide professional services to the general public, because the optometrists are licensed and do provide most of these services in most communities. By this bill optometrists are excluded and discriminated against.

Yes, the house can see that this is a financial bill. I remind the minister that this is public money he is spending and that the 1,500 optometrists of Canada are also taxpayers of considerable stature. They are being taxed by this bill as it now stands to help to pay for services to the general public, which services, they are precluded from providing.

Optometrists provide and perform services for the following departments and government bodies. I shall name some of them: the Department of Indian Affairs, the Department of Veterans Affairs; the Workmen's Compensation Board headquarters in Toronto; the boards of education across our country and county health units. But the optometrists are not recognized in this bill. They are provincially and federally licensed.

• (8:00 p.m.)

I submit that this bill outlaws itself when it discriminates against any professional persons who are licensed to practice their professions and who are professionally and academically qualified to minister to the physical needs of our people. The same principle applies to the government's discriminatory attitude toward the chiropractors of Canada; they, too, should be included within the provisions made by this bill. There are many people in Canada who suffer from disabilities—spinal ailments, for example—which require the attention of chiropractors. Medical practitioners appear to be of little use to patients suffering from this kind of affliction.

In connection with medical care and the concern shown by this government for the health of some of the people of this country, I should like to draw attention to some additional fields in which the government could be rendering valuable assistance to respected bodies who work unstintingly and voluntarily in the interests of the health of the Canadian public.

First, there is the Victorian Order of Nurses, an order well known and highly respected across our land. They need assistance and the government could do nothing better than to make grants of a size which would help this altruistic and charitable organization. Then there is the Canadian Cancer Society whose campaigns I have assisted in our county. This organization is in the forefront of the fight against cancer in Canada, and the government might well manifest a greater interest in its work and support the society extensively.

I have here a clipping from the Toronto *Star* of Monday, October 17 under the heading: "New cancer case every 56 seconds U.S. society's prediction for 1967". This information comes from a convention held in New York city at which an increase in the incidence of cancer was predicted. As I say, the government might well participate to a greater extent in the work of the Canadian Cancer Society.

Another organization which I wish to commend is Alcoholics Anonymous for its great work in rehabilitating the wrecks of men and women—wrecks created by the government sale of alcoholic beverages. All governments across our country will soon have to face the fact that we derive millions of dollars in revenues from the alcoholic beverage trade, while doing little or nothing to assist helpless victims of alcoholism. I say to the minister and to the government: You are trying in a very ineffective way to manifest your concern for the health of the Canadian people. I have outlined a few fields where we should be at work. Do not let your acute concern for this bill restrain you from wrestling with the problems I have just outlined.

I wish, now, to congratulate the government of the province of Ontario on the medicare measures now in effect in that province through OMSIP. I am sure all the provinces will put their own versions of medical programs and medical care into effect in accordance with local needs and conditions. I wish at this point to express my admiration for the Hall report, the work of a commission which was set up before I was elected to this chamber.

I have read all I have had time to read from those two copious volumes which were, of course, sent to every hon. member. I appreciate the work which was done by the commission and the storehouse of knowledge which has been placed at our disposal. Indeed, as one member of this house, I would venture the opinion that we do not use it to the extent we should. The government is certainly not following the guidance offered by the commission in the bill now before us, but I hope that in the near future hon. gentlemen opposite will wake up to the value of the recommendations of the Hall report and be governed thereby.

I firmly support the amendment which was put forward so ably by my hon. friend from Simcoe East (Mr. Rynard). We appreciate the professional knowledge which he brings to this house. I support the amendment because it voices the principle of co-operation with provincial governments. Moreover it recognizes the principle of voluntary choice by individuals. I do not think we have the right to legislate a private profession out of business or to make it unlawful for any person to employ the professional services of his family doctor and pay for them out of his own pocket, if he wishes.

Our amendment would also make adequate prior provision for sufficient medical research, the training of adequate numbers of doctors and medical personnel to cope with future demands.

I should like to quote a letter I have received from a member of the Department of Pathology at Queen's University. I think I am fortunate to have received this letter. I quote this learned doctor as follows:

> I am concerned that Mr. Sharp included the reduction of expenditures to research in his statement about the projected baby budget. It is of course difficult for me to write to you in what would appear to be completely logical or objective terms since I have a very personal interest in research. Nonetheless, I should like to make the following comment, which I believe can be made without reference to my own personal interest in medical research.
>
> In the past few years, almost every responsible member of government, and responsible advisory board, such as the Canadian Economic Council have emphasized that the one way to prevent inflation in our nation is to have a higher percentage of university graduates, highly skilled people and scientists, in order to increase our productivity through the application of the most advanced means known. In this context, it is also true that to train some people in a highly skilled fashion has the effect of influencing the productivity of our whole nation through a relatively small expenditure of money. It would seem, therefore, that one of the anti-inflationary methods would be to increase money in education and research, rather than cut back these expenditures. It is, therefore, rather alarming to hear a statement from a responsible member of government, since the statement seems to indicate a lack of knowledge as to the effect this would have on the very abnormality he is concerned with treating. I trust his comments have been a mistake. In any case, if they were not a mistake I trust other forces within the government will do what can be done to re-assess this possible action.

I think we are very fortunate to have advice voluntarily conveyed in this way from such a learned professional person with regard to the legislation now before us. Has this government manifested any interest in medical research in the past? Does this bill manifest any government interest in medical research at the present time? The answer is obvious: It is, no.

• (8:10 p.m.)

One of the election promises made last November was that 10,000 university scholarships would be created. Mr. Speaker, the government has welched on even that promise. Not long ago they announced they were not interested in that program. I did have the words in my text, Mr. Speaker, that they are no longer interested in the scholarship, but I will not make that accusation because I hope that at some time in the near future they will come to their senses and become interested again in these 10,000 scholarships. But at the present I reiterate that it is obvious that they have welched on them and are not now interested in them. You must agree, Mr. Speaker, that 10,000 government scholarships, if they were now in force throughout the universities across this country, could serve well the cause of medicare in all our provinces, could serve well the principle of scientific research along medical lines, something we lack so badly today.

Finally, our amendment would immediately provide for those persons who are unable, for financial reasons, to provide medical services for themselves. I have heard various figures and it has been estimated that there are up to one third of the Canadian people in that category.

I had an appeal yesterday, before I left home for Ottawa, from a man with a family. He is 48 years old, partially crippled but not totally disabled. He earns a meagre living under the greatest of physical difficulties as a hired agricultural labourer. He cannot afford medically to protect his family. In fact he deserves assistance commensurate with his physical handicap but so far he has been

turned down. Does the government show any concern for this category of Canadian citizen in Bill C-227? The answer is no.

The government refuses to recognize any amendments. But I will make one prediction, Mr. Speaker. This bill will be amended, and in more than one instance, before it becomes operating legislation in July, 1968. It will not suit the provinces as it now stands. That is why I support the amendment as put forward so well by the hon. member for Simcoe East (Mr. Rynard), and now I urge all hon. members in this chamber also to support it.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, when implemented, the measure now before the house, will have a far-reaching effect upon all Canadians for many years to come. The Minister of National Health and Welfare (Mr. MacEachen) has moved second reading of Bill C-227 which authorizes the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans, and I think it only fitting that members of parliament in all parties give careful consideration to this legislation.

At the outset I wish to state it is my sincere belief that plans for comprehensive medical insurance are not only necessary but are also feasible, and that physicians' services should be available to all through co-operation within existing plans and the government, or through voluntary non-profit plans and the government. These plans should be acceptable to the doctors as well as to those receiving the services.

Since the government first talked about medicare—and that is going back to a long time ago—many people have expressed their concern over the cost of free medical care. In fact it is evident that this factor is of vital concern to this administration, for despite the announced pledge by the Prime Minister (Mr. Pearson) last fall during the election campaign, that the Liberal party would have a full medicare scheme operating in Canada by July 1, 1967, that date has now been moved ahead to July 1, 1968, as a curb against inflation.

Quite frankly, Mr. Speaker, the press in recent months has decried the low esteem in which parliament is held at present. But, Mr. Speaker, how can it be otherwise when this country has a Prime Minister, supported by a cabinet, whose statements cannot be accepted by the public as truth? All too often this Liberal government has taken a stand, only to retreat from that position, and this indecision and this lack of leadership have caused confusion throughout Canada, and a disregard for parliament which must be laid at the feet of the government.

At this time I think it advisable to examine the medical services we have, and what we hope to achieve by this legislation. Today in Canada almost all citizens in all ten provinces are covered by basic ward hospital care through a comprehensive plan of hospital insurance, substantially financed by the federal government but administered by the respective provincial governments. This program was initiated by a Liberal government and implemented by a Conservative government, and it has won wide-scale public approval.

The legislation as enacted goes beyond the provision of ward care coverage. Diagnostic services are included as insured benefits. The medical profession in Canada does not agree that laboratory and radiological services are hospital services, but has asserted that these services are medical services. Nonetheless, they are now insured services when in hospital, and private physicians believe it is grossly unfair for them to be required to compete with a free service when they provide this type of treatment in their own offices. I mention this because it is just one area in which problems have arisen.

As stated earlier in my remarks, Mr. Speaker, the government's main excuse for deferring medicare is its cost and the effect it will have on inflation in Canada. In view of this attitude I am concerned, and I think this house should be concerned, about the long-term implications, as they could affect this legislation. I ask, will rising costs in the future suggest to the administering agencies certain budgetary restrictions which will be reflected in reductions in the quantity and quality of the services available? Will the inability or unwillingness of governments to assign sufficient revenues for this purpose adversely affect the general implementation of scientific advances in medicine? We have already been made aware that these things are possible by this deferment to July 1, 1968, of a national medicare program.

It is with this background that Canadians must analyse and assess the future of physicians' services, and especially the future of medical services insurance. Most Canadians have now made the philosophical decision that health services should be provided by

the provinces, assisted by the federal government, and that the next step, medicare, is a problem only of timing and finance.

Hospital care and medical services are different in kind rather than degree. Hospital care is an impersonal, institutional service, but few relationships are more personal than that which exists between a doctor and a patient. Hospital care is controlled by the doctor, but medical services are initiated by the patient. Therefore to me the implementation of a medical services program that is compulsory for all, and controlled by government, is an entirely new concept which requires a quite different philosophical decision. Few of us can resist a bargain, and medicare, underwritten by government, is almost irresistible.

• (8:20 p.m.)

I am opposed to compulsion in any form in what is supposed to be a free democratic society. I believe we should recognize the principle of voluntary choice by the individual. After all, the cost of free medicare cannot be analysed except in terms of its success in attaining its legitimate objectives. Health insurance is one manifestation of a deep seated concern in each of us for protection against the hazards of medical costs. It is a part of our search for security, a phenomenon which is not confined to our generation. Health insurance began in Europe more than 200 years ago. With the advent of the industrial revolution, workers banded together to form craft guilds. These were the forerunners of the friendly societies which still exist in Europe today. An important feature of these guilds was their attempt to meet collectively the financial hazards of illness. At first participation was voluntary, but widespread compulsion was introduced in Germany in 1884.

Compulsion was first applied on a selective basis to wage earners below a stated income. However, subsequent developments saw political pressures being used to widen both the occupational groups and the income classes to be included in the scheme. Bismarck's reasons for introducing a compulsory form of health insurance were not humanitarian; they were political. One of his biographers stated:

> To his mind, the state, by aiding the workers, should not only fulfil the duty ordered by religion, but it should obtain in particular a claim on their thankfulness, a gratitude that was to be shown by loyalty to the government and by loyal pro government votes in elections.

His program was financed by premiums from participants with some employer and state contributions. His scheme only provided a minimum level of medical service because only a minimal service was available, but Bismarck's pattern was adopted by a number of countries during the early years of the 20th century. However, the social security schemes built on the Bismarck pattern were not geared financially to accept the change from preventive to curative medicine, with its consequent increases in expenditure.

Additional moneys could not be allocated for health insurance because of more pressing demands on limited funds. It was not politically possible to demand that employees and employers increase their contributions, so substantial reductions were made in the benefits provided and in the method and amount of payment to doctors. A few countries did learn something from the failure of the Bismarck plan. In 1945 France introduced a program which did not attempt to provide insurance against the full expense for medical services. Payment to the participant represented 80 per cent of the cost of the medical services, if obtained from a physician who by contract had agreed to charge not more than a scheduled amount. The participant, if he wished, could obtain services from a private non-participating physician and receive the same amount of reimbursement, but of course under these circumstances he was required to make a larger contribution from his own resources since the fees of private physicians were likely to be higher.

Norway and Sweden adopted arrangements similar to those of France, insuring all, or almost all, of their populations and providing an indemnity basis or a reimbursement basis. Both these countries amended the French system to suit their own specific purposes. Both schemes have worked out reasonably well. One other country has avoided a major degree of compulsion and has used a government subsidy of much smaller proportions. This is Switzerland. Switzerland has a large group of health insurance associations of varying size which, for the most part, provide health insurance on a voluntary basis. In addition to premiums of subscribers, these organizations receive a subsidy from the federal government of approximately 15 per cent of their total expenditures. Under Swiss law participants in these funds are obliged to meet directly a proportion of their own medical care expenses, usually about 15 per cent.

I mention these facts to illustrate that in many other countries of the world the trend has moved away from a relationship of direct control between the government dominated plan and the doctor, and now is based on a refund system which returns to the participants a major proportion of the expenses incurred, but which requires a personal contribution from the insured when he obtains a service. In Australia and Switzerland the trend to compulsion has been reversed. The activities of government are limited to the provision of a subsidy.

One measure of the cost of free medicare is the total of the expenditures made, weighed against the benefits obtained. We must also remember that a change to a government service does not automatically increase the supply of physicians, which is Canada's most pressing need at the present time. I believe a much more practical method to relieve the medical needs of those of low income would be through a process of selective subsidization of medical services insurance premiums. This would greatly reduce the financial commitment of government and as a result would allow the government to concentrate financial assistance in depth to those areas of real need.

Too often the introduction of a government system, backed by relatively limited finances, has resulted in the provision of an unsatisfactory system for all, without substantially alleviating the area of real need. For example, why has the government of Great Britain now found itself in a position where it cannot provide the service it promised at the outset of the national health service? There is one basic reason. Under the national health service the government promised to provide and pay for health services rather than assist in their payment. Thus the government is placed in a position of providing and paying for a service without being able to control the demands for services. This does not apply to any other service underwritten by government. Governments decide what grants shall be made to education and what buildings should be built. In each instance the government controls the amount of expenditure and can defer projects to next year if financial resources are not available. This is not true in the case of health insurance. The basic decision in respect of whether or not he should see a doctor is made by the participant, and his visit can set off a chain of events reflected in expenditure by the government on medical, hospital, and other services.

If the demands and the expenditures are too high, there can be no deferment of payment until the next fiscal year. The only action the government can take is to restrict its services and when this happens the government negates its reasons for introducing this program. For these reasons I believe the government should confine its activities at present to providing assistance in areas of real need to the low income groups and the aged. Eventually a voluntary participating program could be implemented along the lines I have mentioned. As stated, I am opposed to the compulsory aspect of this bill. I believe the medical profession must be allowed freedom of thought and action so that as free-thinkers they will continue to make progress in their chosen field.

These are not my views alone. Since this bill was introduced I have received numerous letters from doctors in my constituency, and I am aware that this also has occurred in respect of other members. I should like to quote from one doctor who wrote to me as follows:

• (8:30 p.m.)

> In accepting such schemes as Maritime Medical Care, Physicians Services Inc., we have accepted the basic philosophy of medical insurance, but only as pure insurance.
>
> Now then as to whether these insurance schemes should be run by ourselves or by the government. The government would have the advantage of being more comprehensive, probably taking in a larger sector of the public than our schemes could afford to cover. I feel we must have the freedom to develop our philosophy of, and skills in, medicine as free men only can do. This means, of course, that we must resist being put in the position when any bureaucrat, medical layman can say to us, in regard to the practice of medicine, you must do thus and so. We just have to resist developing this slavish mentality that acceptance of such dominance will entail. We just cannot permit considerations of party politics to come between our duty and our patients. If 'government' is the sole paying agent, remembering that he who pays the piper calls the tune, consideration of party politics will inevitably intervene. The future of medical care of our patients will be subject to that all too prevalent political coercion, political expediency, political patronage.
>
> It is my sincere belief that the consumers of our medical care would suffer just as if, by analogy, the press were nationalized. It is not difficult to see how the consumers' interest would suffer also.

I believe this quotations sums up the views of many medical men in Canada. The medical profession must find and train the doctors who will provide the increased volume of services

required by our people. Governments must assist the low income groups to obtain insurance, and must subsidize the older age groups whose expenditures are double the average and whose costs continue to rise with advancing years. We must set up a system which is flexible and which can adjust to the challenges of tomorrow. It is for these reasons I support the amendment moved by the hon. member for Simcoe East (Mr. Rynard), for it will provide immediately for the people in need in my province, a thought which I would commend for the consideration of the minister from Nova Scotia.

Thank you.

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, it gives me a great deal of pleasure to participate in this debate. At the outset I should like to object strongly to those on the other side of this house and those of the fourth estate who suggest that because a member participates in this debate he is protracting the debate, obstructing the passage of this bill or filibustering.

As a result of this legislation we will write into our statute books a piece of social legislation which will remain with Canadians perhaps for all time. I have very little patience with those who criticize us because we participate in this important debate. I wish only that members opposite, such as the hon. member for Peterborough (Mr. Faulkner), would take part in the debate, as members on this side have done.

Having singled out the hon. member for Peterborough, and before he rises on a question of privilege, let me say that I agree with him. I know what he and the young Turks who met at Peterborough think. There are people in this party who think I perhaps could be a young Turk. Where in the world are all the young Turks tonight who are worried about this important piece of legislation? Surely we in this house should be concerned with this measure and should present our views. I hope the hon. member for Peterborough will rise in his place and state his opinion. I hope that other hon. members opposite will participate as actively as members in this party, and in the party to my left.

I come from a province which has Dalhousie as the fountainhead of medicine in the maritimes. I do not apologize for participating in the debate on this bill dealing with medical services. Let me point out that only last week a graduate of the same class to which the previous member for Digby-Annapolis-Kings belonged won a Nobel peace prize in the field of medicine. I wish I could speak with the knowledge as well as with the conviction and sincerity which would be obvious if that man had the privilege of speaking on medical matters in this house. I refer of course to Dr. Charles Huggins of Chicago who graduated from Acadia in 1920.

I am sure that eastern Canadians as well as other Canadians have a very real interest in this bill. We support the principle of medical services, without qualification, for all Canadians. The hon. member for Peterborough I am sure wants to say something. In view of what he has said in private at certain week end seances I will sit down and give him the opportunity of speaking.

Mr. Faulkner: Mr. Speaker, I rise—

Mr. Deputy Speaker: Let me remind the hon. member that when a member rises to speak he must be in his own place.

Mr. Nowlan: Mr. Speaker, I did not intend to relinquish my opportunity to speak, but simply to allow the hon. member for Peterborough to state his question of privilege.

Mr. Deputy Speaker: I believe the hon. member is now back in his seat.

Mr. Faulkner: Mr. Speaker, I wish to rise on what I hope will be accepted as a question of privilege. I should like to take exception to the remarks of the hon. member to the effect that—

Mr. Deputy Speaker: Order. It appears that the hon. member intends to argue with his hon. friend across the house. An argument is not a question of privilege.

Mr. Faulkner: My question of privilege relates to the suggestion that I came into this house in order to—

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. There is already a question of privilege before the house. I will hear that question and then listen to the hon. member's point of order.

Mr. MacInnis (Cape Breton South): On the contrary, there is no question of privilege in what the hon. member has to say. He said he was not rising on a question of privilege. I heard it on this side of the house, and I am sure the Chair, heard it. Unless the hon. member states his question of privilege the Chair should put him back in his place, now that he knows where it is.

Medicare

Mr. Faulkner: Mr. Speaker, the point I wish to assert is that I came into this house when I was advised that the hon. member for Digby-Annapolis-Kings was going to speak, because I was sure he was going to make a useful contribution. I did not come here simply to josh and interfere, as he has alleged.

Mr. Nowlan: Mr. Speaker, I am often amazed at the divine powers that are sometimes possessed by hon. members on the opposite of the house. If the hon. member for Peterborough knew that I was going to take part in the debate tonight he must possess some occult powers, because I had intended to speak tomorrow. Let me say that I did not yield the floor, but simply sat down as a matter of courtesy to give the hon. member an opportunity of presenting his question of privilege, which he has done now in a somewhat agitated way.

• (8:40 p.m.)

I spoke with some conviction, perhaps because I do not always agree with the general attitude adopted by members on this side of the house. One thing that made me chuckle this week end was an article which appeared in a good old Tory Toronto newspaper, and before I refer to it let me ask how many members there are on this side of the house who are from good old Tory Toronto. This paper, in recounting events during a recent convention, suggested that those people were not playing politics, but that they were going for ideas. I have not seen any hon. members on this side of the house or on the opposite side going against the current, but I still think that it is necessary for some members to do so from time to time. That is why I was willing to give up my position to the hon. member for Peterborough, to allow him to hold forth his views in public—which some people suggest he may have already expressed in private—or at some meeting, some place, somewhere. However, since he does not want to speak now, he can follow me, because there have not been too many hon. members on the opposite side of the house participating in this debate today—in fact none have—and he can add to whatever I say, or answer anything I have said.

Mr. Winkler: They haven't got the guts.

Mr. Nowlan: I am glad to see the Minister of National Health and Welfare listening to me from behind the curtain, because I have a few things to say to him about Nova Scotia. Be that as it may, Mr. Speaker, I believe that all hon. members should participate in a debate of such consequence to the health of all Canadians concerning legislation which will affect the taxpayers of Canada forever after.

[Mr. MacInnis (Cape Breton South).]

With all due regard to the hon. member for Lotbinière (Mr. Choquette) and any aspirations he may have, or statements he may have made in the past, I think this country will be here for a long time to come and I hope he thinks so also, despite certain things that have happened lately. Nevertheless I am of the unequivocal opinion that there is no member on any side of the house taking exception to the principle of this legislation. Be that as it may, we have to be realistic.

I think that the problems in the area from which the Minister of National Health and Welfare comes are especially serious. In this legislation he is not selling a Trojan horse from which soldiers come out under the cloak of darkness to bring havoc and problems on Troy; and yet the lack of doctors in this country and the lack of medical facilities make it necessary to implement this program. This is especially so in Nova Scotia, and in the east generally, where this problem should be dealt with regardless of whether it be in July of 1967 or July of 1968. The people there are anticipating legislation on medical services, and yet this legislation does not guarantee the provision of this service to the taxpayers of Canada and to those who cannot pay taxes. I am directing my attention to those people in particular in view of the amendment of the hon. member for Simcoe East (Mr. Rynard).

This legislation does not guarantee that service to the 20 million Canadians; all it guarantees is that the bills will be paid, and although I support this as much as the hon. member for Burnaby-Coquitlam (Mr. Douglas) supports it, let us not kid ourselves. Much time will elapse before this legislation is implemented, in spite of all this hocus-pocus across the way, this Liberal convention and this leadership convention and the Prime Minister's speech on heirs apparent and heirs-not-so-apparent, and senators apparent and not-so-apparent. I understand the Prime Minister has been anointed again, so we do not have to worry about any leadership problems. That side of the house should be worried about leadership because leadership provides vitality to the party and therefore I do not want to go into any further leadership problems.

I will suggest to the Minister of National Health and Welfare that he comes from an area where the ratio of doctors to people is so high now that it even surpasses the figure given by the hon. member for Simcoe East, as applying to the whole country, of one doctor to over 2,000 patients.

I was disappointed that the minister did not speak a little longer. Usually he is concise and very logical but—and it is the first time that I can say this of any hon. member opposite—he was too brief on such an important piece of legislation. I do not know whether the reason for his brevity was his disappointment at not speaking at a certain time with some of the people around, or whether it was because of some problems within the hallowed sanctuary of the caucus or of the cabinet—because we never know what goes on in caucus or in cabinet, even though we read the papers, and we read Peter Newman. The fact of the matter is that the Minister of National Health and Welfare was abnormally brief, even though he had the grace to make a short speech.

Usually I make short speeches, but tonight I do not think I will be as brief on this very important topic as was the Minister of National Health and Welfare who, as a member of the house advised the Prime Minister both when he was in office and when he was out of office in the twilight years not too long ago. Those twilight years may return if this government continues to force this bill down people's throats without regard for the opinions of the people at the grass roots level in the area from which the Minister of National Health and Welfare comes, and continues to rely on the opinions of the professors and retired civil servants who dominate hon. members opposite.

I will now deal with the question of co-operative federalism about which we have heard so much in the past two or three years. I will refer to the Minister of National Health and Welfare and also to the Minister of Manpower and Immigration (Mr. Marchand) and the Minister of Finance (Mr. Sharp), not because I think they will enter into the debate, like the hon. member for Peterborough did, but perhaps because they would not find too much fault with what I will say. I will ask the Minister of National Health and Welfare who, when in the ivory tower advised the present Prime Minister—and unfortunately too many hon. members on the opposite side are still in their ivory tower—how he could reconcile the compulsory nature of this legislation with what was done previously in the case of hospital insurance.

As I understand it, Mr. St. Laurent and Mr. Mackenzie King had a formula. Part of the problem in politics today is that there is no demarcation line, and the old rules and traditions and precepts of politics have gone by the board. Mackenzie King, St. Laurent and now Mr. Pearson have all upheld the ideal of co-operative federalism, which is now being done away with. I believe that in the matter of hospital insurance, which is a related subject, the plan was only to be brought into effect if 50 per cent of the population of the provinces agreed to it.

An hon. Member: You are wrong.

Mr. Nowlan: Perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) can correct me, but I understand this was the basic guide line which applied to Quebec and Ontario, the two largest provinces of Canada. I think the hon. member for Lotbinière (Mr. Choquette), who seems to have some problems with the lower part of the anatomy of this head—which is most abnormal because normally that part of his system works very well—should be concerned because Quebec and Ontario are the two biggest provinces of this union and yet this plan which involves matters under their jurisdiction is to be rammed down their throats.

I am in agreement with the hon. member for Kamloops (Mr. Fulton) who, when speaking on the resolution, suggested that this government is setting a precedent in the way it is dealing with this legislation for setting guide lines on education. We all know education is a hallowed subject and we are not to discuss it now, but the principle in both cases is the same. If we do not rely on principles in politics, then the disenchantment with this government will continue in this country to the extent that in time hon. members on the left side of the house will be helped.

They would be misguided if they followed this precept. But as far as the principles of the two main parties are concerned, there is a real disenchantment on this side of the house, even though there have been many catcalls from the other side of the house. Even though I may disagree with some of the things which the hon. member for Prince Albert (Mr. Diefenbaker) has said, a good many of the things he has said in the last few years have come about. The hon. member for Wellington South (Mr. Hales) made a speech last night regarding the principles involved in this

legislation, and I suggest, Mr. Speaker, it is time we got back to principles. This brings me back to co-operative federalism, which is a fine sounding principle and the Prime Minister supports it.

• (8:50 p.m.)

Precedents have been set when the majority of the provinces have agreed with the policies of the federal government regarding areas under their jurisdiction. Yet this time, when we are concerned with a field that cuts right into provincial jurisdiction, the 50 members from the province of Quebec, even in the light of the precedent on education, have hardly uttered a murmur. I have great respect for la belle province, since I worked there for three summers,—although my language would not seem to justify it. I find myself amazed at the compliance, the aquiescence, the lack of intestinal fortitude, of these members from Quebec to stand up on a basic jurisdictional question.

The Minister of National Health and Welfare (Mr. MacEachen) has now to take these plans back and have a conference with Mr. Johnson. This has not happened. I have some good friends over there, and I hope I will have even after tonight. However, I believe the people of Quebec can quite rightly condemn the members of that province for their failure to take a stand on this issue. The people of Quebec have quite rightly urged the people in the other nine provinces to have regard for the constitution. I do not go along with this myth that the B.N.A. Act cannot be changed. I am all for change. There could be a constitutional conference.

I am not saying this B.N.A. Act is a hallowed instrument. It has given certain basic rights, and it has provided the basic seed for change in Quebec. You can call it a quiet revolution or a loud revolution, but it is a revolution that is going to be good for Canada. Unfortunately, there are too many members from Quebec on that side of the house. I believe that Canada would be a better place if many uncommitted young people from Quebec would come on this side. There would be a better dialogue, a better discussion. In this case, we have a vacuum,—we have a vacuum in many areas. But this is a fundamental area, because a precedent will be set for any government to say to the ten provinces, "We have a certain pot for educational purposes; if you subscribe to certain rules you can have some of it, but if you do not, you do not get it".

[Mr. Nowlan.]

The political power flowing from this position is fantastic because, while so many of the provinces in Canada today agree with the principle of medicare, they do not have the fiscal ability to implement it. Well, the carrot is held out by the Minister of National Health and Welfare. The Trojan horse has been wheeled up beside the wall, but it is not going to seduce the people behind the wall. They are going to have to do something about that horse. Any provincial premier in any of the provinces of Canada has to react to that horse that has been placed there. I say that it is a gilded horse; I say it is a tainted horse. This horse has no more substance than the wooden horse of Troy—and I am not talking about the ends of the horse. As I say, this horse is made of wood and I think the intentions of the Minister of National Health and Welfare to implement a basic service in Canada are built of the same wood because we are not going to have the service. We cannot have the service. We are going to have our bills paid, and I am all for that. I want my bills paid, too. Most of us in this house are the fathers of children and we have some bills to pay. I am happy about the principle of the payment of bills.

I come back to this vacuum in the dialogue between members. I am not going to single out any member. I may have embarrassed one member by singling him out. I can see a member sitting in the backbenches who was very vocal in the press and on the radio and was a member of the thinkers conference. Since he is a new member, Mr. Speaker, perhaps we are in the same class. I feel he and I are colleagues at the bar, so to speak. I read his columns with interest. However, as I say, there is a passive acquiescence in connection with this fundamental problem. The hon. member for Lambton-Kent (Mr. McCutcheon) spoke to me once privately, and I echo what he said at that time. I do not know whether or not he has made a speech, but he said that those at the grass roots quite often are not concerned about fundamental, constitutional problems. This is understandable. They want their bills paid, and this is understandable, too.

I spoke at a meeting in Digby last night, and I know that area is quite concerned about an announcement that the base at Cornwallis is going to be closed. I believe this question may come to the floor of the house. I drove by the base at two o'clock this morning. It is understandable that such people are not too concerned with anything connected with constitutional problems. They want their

bills paid, and I want mine paid. However, as members of parliament, and I include members opposite, we have a higher responsibility than to just sit back and say that we all want medicare; we all want our bills paid. We have to protect some of the basic, constitutional rights of the people. In spite of this, we have this passive acquiescence opposite on so many constitutional problems, and this has caused problems within that party. This will be taken as a precedent in the future in connection with a field that is as basic as education.

A future government is going to look at this medicare bill, and will take the lack of a constitutional stand as a guide line. There will not be too many members who will be able to stand up and say, "This is a very bad thing because it cuts into provincial jurisdiction, so we really should complain." The members of the government of that day will then be able to say: You sat silent on medicare which covers a fundamental provincial responsibility. This should be a provincial problem because the ability of the people of a province to handle this basic problem of human need varies from province to province. The Minister of National Health and Welfare knows this better than anyone else. My province cannot provide the services that Ontario can provide. Perhaps with federal guidance, federal co-operation and consultation, we can get a good plan that will work across the board. However, we cannot have it forced down our throats.

We did not have hospital insurance forced down our throats. Many members opposite were not in the house when that bill came forward. I know that right hon. Mr. St. Laurent was a political scientist, and many years ago there was a formula on these things. This is all being swept away. I spoke about health insurance, and that involved another government in another day. I come back to another field within the jurisdiction of health and welfare, and it represents a complete contradiction of this phrase "co-operative federalism". This Madison avenue ballyhoo has given that phrase a fine sound, but what does it mean? Does it refer to what happened at the health resources fund conference? The health ministers of the provinces were to discuss their needs with the federal government, but then the day the conference was to meet there was an announcement in the newspaper that the federal government had $500 million to be applied in a certain way. This announcement was made before the health ministers from each province had discussed and defined their needs. Is this co-operative federalism? When the Prime Minister talked about this $500 million, Mr. Speaker, I noticed it was to be spread over 15 years and there were to be special regional payments for the maritime provinces.

I know that at one time in Nova Scotia we thought, perhaps somewhat selfishly, that we were going to get the benefit of the $20 million. We liked the sound of that. Once again, however, an announcement was made without consultation with the health ministers of the provinces, and we hear that in Newfoundland they are going to build a medical hospital and a medical education centre, and that in New Brunswick there is going to be a medical health centre to train doctors. We need those doctors, but we have an institution now in the maritimes which has been performing that service for the maritimes and the rest of Canada in a very admirable way. I do not believe the Minister of National Health and Welfare would object too much if I say that institution has provided doctors for this country and for the United States. We need more doctors, and we could utilize them in Nova Scotia. We could utilize this $20 million in Nova Scotia; but this is a selfish point of view, and the fund could have been apportioned after there had been consultation. But no, Mr. Speaker, co-operative federalism means the answers beforehand and the dictation afterwards. That was certainly the case with the statement that was made about health resources.

• (9:00 p.m.)

I do not imagine I have disturbed too much the very able and amiable Minister of National Health and Welfare, though as far as this legislation is concerned he is more amiable than able. He is a man who is logical, and who before he came to the house devoted his attentions to an institution which also had some logical people inside it. This is why I am a little disturbed that the minister is acting in such an illogical way on a matter affecting provincial jurisdiction, and in an area where provincial members speak out every day for the people who want their bills paid.

We have a responsibility to the future and must be guided by the past. If the minister has been guided in this legislation by the action which was taken on health resources, then he is ignoring the past. He is ignoring Mackenzie King and Louis St. Laurent, two

previous Liberal prime ministers, as well as the former prime minister, the Leader of the Opposition (Mr. Diefenbaker). So I am wondering where co-operative federalism leads.

I notice that the Minister of Manpower and Immigration (Mr. Marchand) made a statement, which was reported in Saturday's Montreal *Star*, when he addressed a dinner meeting of the Canadian Alliance. I am a little surprised that some hon. members did not ask the minister about this statement on Monday. I was out of the house on that day or I would have asked him whether this was another stated change in government policy. I do not know whether I should quote the minister directly or paraphrase. I heard some paraphrasing earlier in this session which sounded almost like a direct quote, and I do not know whether that is good or bad. However, according to the Montreal *Star* the minister, who also believes strongly in provincial jurisdiction, rights and priorities, said that Ottawa had systematically invaded fields of provincial jurisdiction since the war and that this would have to stop. Then the minister went on to say that the federal government must get out of fields of provincial jurisdiction. That is, I presume, other than education.

With the constitution and tradition which we have, there is no more fundamental field of provincial jurisdiction than the administration of health in the provinces. This is a subject which touches human needs and compassions, and with regard to which we need a program for all Canada in order to have close administration at the provincial level of the medical needs of the people who unfortunately become afflicted with disease, and who require assistance to pay their bills. This is a basic in education. Yet here is the Minister of Manpower and Immigration who choses to remain silent in this debate on a bill which is basic to provincial rights, last Saturday having the temerity and effrontery to insult the people of Quebec and the rest of the people in Canada. I know he is a fine man, but on this particular point, as a constitutional lawyer and as a responsible minister, he makes the statement that Ottawa should get out of provincial jurisdiction, and does not try to reconcile that statement in this house with the provisions of the bill.

The Minister of Finance, long before there was any conclave at any Chateau close to these hallowed halls, told a fiscal meeting of finance ministers on September 14 that he was going to bring forward a whole new concept in order to help implement this co-operative federalism that we have all heard so much about. Among other things, the Minister of Finance suggested that we must recognize that the provinces have more and more wanted to assume full responsibility for initiating and operating their own programs, and that their ability to do so has grown demonstrably since the war. He said that this has been especially true of Quebec and that we must recognize the aspirations of the provinces.

You have probably heard that statement before, Mr. Speaker, which was uttered by the present Minister of Finance; whether he is heir apparent or heir not-so-apparent, I cannot say. He is a responsible minister and was pinpointing the real and valid interest the provinces have in their own fields, and how Ottawa should not cut into these fields, as is the case here.

I have talked about the constitutional problem and why I think members opposite should speak out on it, especially the great phalanx from the province of Quebec. I have no hesitation at all in voting for the amendment which has been moved by the hon. member for Simcoe East (Mr. Rynard). This postponement has had several birth pangs. I think in the early stages of the debate the hon. member for Greenwood (Mr. Brewin) said something about midwives. That was in connection with immigration; but there have been many stages to this gestation period. As the hon. member for Winnipeg North (Mr. Orlikow) said, we must not forget this long period of 47 years which it has taken hon. members opposite to bring forward medicare. There have been many stops and starts.

This is why once again I find it illogical for the minister of health not to pay heed to the part of the amendment moved by the hon. member for Simcoe East which suggest we institute this pilot project to which I have referred. If there is a doctor shortage, as we suggest there is, the problem will only be compounded by giving the provinces an across-the-board payment. Let us start with a pilot project. What is wrong with that? I think especially of those who cannot pay for medical care now, such as those on provincial assistance, old age assistance, those over 65.

I suggest, Mr. Speaker, that the federal government meet this cost, especially in view of the increasing cost of living. Why is this suggestion so revolutionary? The Minister of Labour (Mr. Nicholson) made a speech yesterday in Vancouver, which was reported in

the press, in connection with certain guide lines which had been laid down by the government opposite and to which some Liberals take exception. Nevertheless we have the plain fact that members of the government opposite were called in to approve a wage contract which gave 85 cents an hour increase to the longshoremen in Montreal and to the seaway workers.

Yet the same government is not prepared to increase by 85 cents a day the old age pension. If you work it out, Mr. Speaker, 85 cents a day comes to $25 a month approximately, which when added to the existing pension would give our pensioners $100 a month. If there ever was a need to pay the old age pensioners $100 a month, in view of certain actions which have taken place in Montreal in connection with the wage contracts of the longshoremen and the seaway workers, it is now, in a time of spiralling cost of living.

I agree with the hon. member for Burnaby-Coquitlam (Mr. Douglas) that the cost of living is not due solely to an increase in wages or to any one contingency; it is a combination of factors. But when you boost a wage structure by over one third in a two-year contract, there are bound to be spiralling costs. Yet the government is not prepared to give 85 cents a day to the old age pensioners, even though they have given 85 cents an hour to the longshoremen. They should make this concession to the old age pensioners because they need this money now to pay their doctor and hospital accounts.

Therefore I suggest that the government regard this action I have suggested as a pilot project, so that by the time July 1 comes along we will have learned something. If the plan is implemented on July 1, 1968 any of the kinks which exist in the plan will have been ironed out. I suggest that this is a logical approach and I am a little surprised that the Minister of National Health and Welfare does not subscribe to it.

Another factor in connection with this plan is this. The government will not take a piece, but want the whole shot. In other circumstances this might be acceptable, but it is not in this case, especially when they think the matter over and give it the proverbial six months hoist. In fact, they have given it a 21 months hoist. As far as I can see, this program does not give any consideration to the provinces for their cost of administration.

Medicare

• (9:10 p.m.)

We have heard much of Mr. Justice Hall's report in two volumes. He spoke of a comprehensive program, and we have used the term "comprehensive" pretty loosely in this chamber in the last few days. This plan will not give us the comprehensive program that the Hall Commission recommended. It is going to pay for physician services. It is not going to pay for dentists' care and psychiatric care and the many other cares and needs recommended by the Hall Commission. In fact, this plan does not follow the Hall Commission. The Hall Commission says: Lay the groundwork first and then come in with the plan. This plan does not do that, and it is not comprehensive. That brings us back to the Trojan horse which the minister has dragged before the Canadian people. This plan calls for treatment by a doctor when there is a doctor to treat anyone. The bill proposes paying for medical services to those who are lucky enough to have a doctor in their area.

I suggest that we should have a pilot project to iron out the kinks which we are bound to get. Let us have a plan which will pay for the cost of the administration. The Minister of National Health and Welfare will explain no doubt, in his closing statement, what has been done with respect to the escalation of costs. In every federally administered scheme costs escalate. We have seen what happened to the costs of social security in the United States, and how those have escalated. We see what has happened in England. Frankly, I think government schemes go up more quickly than private schemes. This is where I disagree with my friends to the left.

Let us have some provision so that the provinces may have a chance for a dialogue to probe those areas, and to provide some protection where costs might escalate. Let there be a dialogue so that you will not have a situation as described by the hon. member for Kings (Mr. McQuaid) and deplored by the hon. member for Simcoe East (Mr. Rynard) where you have one doctor for 2,400 people. What difference will a medical scheme make to those people? Their doctor is overwhelmed now. But in the areas where there are doctors, and where costs will increase, protection to the provinces ought to be given with respect to escalation of those costs.

I have spoken frankly in an area where all members should speak frankly. In his closing statement I hope the Minister of National

Health and Welfare will state the position as it relates to costs of administration, and the escalation of those costs.

Canada is a land of compromises. Why cannot we compromise on this scheme. We have already had a compromise from hon. members opposite, which came as a result of other problems, and which was thrown around at another meeting not too long ago. Why cannot all Canadians in this country compromise, and have a compromise at a national level regardless of party politics? I suggest to the minister seriously that we should iron out some of the kinks of the scheme, but that we should at least go so far as providing this service to those who need it now but who cannot afford to pay for it. I refer especially to the old age pensioners. If you are not going to give them any old age assistance increase, at least let us have a pilot project to help them. With that we could also iron out the kinks of the plan. Before ramming a compulsory provision down the throats of the provinces, why not have a dialogue to discuss with the ministers—

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

Some hon. Members: Carry on.

Mr. Speaker: Has the hon. member unanimous agreement to carry on?

Some hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, I wish to thank hon. members of the house for listening to my rhetoric. This is the first speech where I have gone the full length—whether in committee where you can speak for 20 minutes, or in the house where you can speak for 40 minutes. I have been so long because of the importance of the speech, and because I have tried in a limited way to express my conclusions to the Minister of National Health and Welfare, who I hope understood the spirit in which they were expressed. I do not want to trespass on what any other hon. member might wish to say, but I hope the minister shows to the Canadian people that he has the capacity for logic and that he can meet problems, and not just use many, many words.

I hope that the minister can bring the ten provinces together in a spirit of compromise, because we have had that spirit and we shall continue to have it if we are to continue growing. I suggest that the greatest pilot project and the greatest birthday present for Canadians would be to have such a project implemented by July 1, 1967, for those who cannot pay for it and who need it. I think there should be discussions with the provinces about the ramifications of this scheme, so that we can have a plan that is not rammed down our throats, that does not trespass on provincial jurisdictions but that not only the members of the government but all members of the house can be proud of —because all members of the house are in favour of the principle.

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

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker—

An hon. Member: Now you will get it.

Mr. MacInnis (Cape Breton South): —may I inform the Liberal members across the way who have indicated that they do not want to hear anybody on this side of the house that I should be perfectly willing to relinquish the floor if anybody would guarantee to me that they would get up and tell the truth. If my hon. friend for Digby-Annapolis-Kings (Mr. Nowlan) could not think of a name to apply to the minister, the minister ought not to worry: I know another name.

On Thursday the hon. member for Northumberland (Mr. Hees) when speaking on this bill mentioned two reasons why the medicare program is delayed. He said, first of all, that the provinces representing 85 per cent of the population of this country have refused to go along with it, and that the remaining 15 per cent of the people would be unable to make it work successfully.

The second reason is, as the Hall Commission report made very clear, that we do not have enough doctors, dentists, nurses and medical technicians to enable this program to operate successfully. The hon. member for Northumberland should have mentioned a third reason, a reason which throughout my province and throughout the maritimes is gaining publicity. The minister is basking in the glory of that publicity.

I do not think he has allowed this type of publicity to circulate throughout the maritimes, but an impression has been left with many people—and as I say, it has not been created by the minister—that the medicare program was blocked by the Minister of Finance in order to stymie the bid of the Minister of National Health and Welfare for

the leadership of the Liberal party. This is ridiculous I think, and I do not subscribe to it; but I have not heard the Minister of National Health and Welfare take occasion to deny this story, for the simple reason that he must be getting much favourable publicity from it. I say this because as recently as Saturday of last week, in the Halifax *Herald* there appeared this blazing headline: "Mac Wins Medicare...".

An hon. Member: Oh, yes?

Mr. MacInnis (Cape Breton South): "Mac" I presume is the Minister of National Health and Welfare. When he comes before the house on another occasion I hope that he will be able to win another battle of equal importance to the welfare of the Cape Breton miners. I hope he will make sure that another very important promise will not be broken. I do not think I need interpret that any more clearly for the minister to be able to understand what I am talking about. This article in the Halifax *Herald* goes on to explain how "Mac" won the medicare battle:

• (9:20 p.m.)

When Health Minister Allan MacEachen finally brought the revised scheme for medicare before the Commons this week, the one seat on the front benches noticeably vacant was that of Finance Minister Sharp.

And I would remind him he is battling on that other promise with that same minister. The article goes on:

Mr. Sharp had good reason for his absence. He had gone to Montreal to fill a luncheon speaking engagement but many in the Liberal benches regarded it as a trip on which he would be licking the wounds of the first real defeat of his political career—even though his aides had been able to project the idea here in recent days that the latest revision in government plans for medicare was a major victory for him.

There is the odd person who can claim victory out of broken promises, but how anybody with a reasonable approach or a common sense approach can consider a broken promise to be a victory is beyond me. I leave it to you, Mr. Speaker: It could only happen on that side of the house among the Grits.

In the tense rounds of cabinet infighting over the postponement of medicare's implementation from July 1, 1967 to July 1, 1968 the chief adversaries were Sharp and MacEachen.

The former took the stand that it was necessary in order to cool the fires of inflation and prevent a stiff increase in taxation.

It is interesting to note that they come along at Liberal conventions where they pass resolutions referred to by the Prime Minister (Mr. Pearson) as "only resolutions passed by political parties" and leave the impression across this country that if things improve medicare will be implemented no later than July 1, 1968.

Is this not a ridiculous situation—a situation nobody else but those on the Liberal benches could bring about? We have a Minister of Finance who says medicare has been postponed to kill the fires of inflation. Then we have a Liberal convention and Liberal ministers going before the people of Canada and saying: If things improve, we can have the scheme. What needs to be improved? The economy of the country, they say. Now the medicare program has been postponed because of the economic condition of the country—it has been done in order to slow down the fires of inflation as the Minister of Finance says—to slow down the boom. How are we going to improve on a boom? What improvements will take place to allow the Minister of Finance to permit medicare to come into operation not later than July 1, 1968? How in the name of heaven can any Liberal reconcile these two things, which are by their nature directly opposed—on one hand, "slow down the boom," and on the other, "if things improve we can put medicare into effect"?

The Minister of Finance took the stand that it was necessary to slow down the inflationary trend. However, the Minister of Health and Welfare (Mr. MacEachen) could not accept this and he is reported to have made his views plainly and vigorously known. The report in the *Chronicle-Herald* goes on to say this was because—

—medicare would not come into operation until half way through 1967, and because only some of the provinces would be ready to participate, the federal cost in the first fiscal year would run to no more than $40 millions.

I would remind hon. members that the Minister of Finance, in a defiant and arrogant manner in this house the other day when questioned about the $7 million which will be spent on the B and B Commission said it was all right to spend such a large amount in that way, though he would say nothing in favour of medicare which would cost only $40 million in the first year.

Of course, the $40 million needed could easily be provided if this government would look closely at some of the programs it has initiated this year. There is the $7 million for the B and B Commission; there is the $10

million provided for the arts—whatever they are—and there is to be a Canadian film association formed, or something. A few moments ago the minister found it necessary to go behind the curtain. This time it looks as though he has found it necessary to come over to our side. Maybe while he is over here we can sell him the idea. Don't let him get away. The article continues:

But Mr. Sharp was able to sell a majority of cabinet on his case—and proceeded to announce the postponement to parliament early last month while Prime Minister Pearson was in London.

Still unconvinced by the Sharp argument, Mr. MacEachen advised the Prime Minister on his return from the United Kingdom that as Minister of Health and Welfare, he could not, with a clear conscience, introduce the necessary amendments as they were proposed in the Commons and speak in favour of them.

This left the Prime Minister in a difficult quandary.

So what's new?

Should he reverse the postponement of the decision and risk a resignation by Mr. Sharp, one that would follow that of former Finance Minister, Walter Gordon by less than a year.

Should he go ahead with the decision and risk the resignation of Mr. MacEachen, one of his closest associates in government?

Should he undertake another cabinet shuffle to give the health portfolio to another minister?

Whatever course he followed would cause himself and his government embarrassment and invite a new stage of ridicule from the opposition.

He found the possibility of solution in an offer by Mr. MacEachen to accept some form of compromise.

The Prime Minister asked the Health Minister and Manpower Minister Jean Marchand, who was supporting the MacEachen position throughout, to try to work out one with Mr. Sharp.

With Mr. MacEachen scheduled to fill a speaking engagement in Vancouver last Friday, Mr. Marchand took on the role of negotiator.

And while the minister was still on the west coast he was able to telephone to him the news that Mr. Sharp had agreed on changing the fixed postponement date of July 1, 1967 to July 1, 1968 or earlier if national economic conditions and government finances took a change for the better in the meantime.

Here again, I would remind hon. members of the other statement which is a denial of the policy announcement of the Minister of Finance, and his request that medicare be postponed because, he says, we must slow down the boom. Then they say they will wait to introduce medicare until the economic situation has improved to such an extent that it can be implemented. The article goes on:

Mr. MacEachen readily agreed to this new measure of flexibility. And Mr. Marchand went happily off to Montreal to fulfil an appointment there.

[Mr. MacInnis (Cape Breton South).]

But by the time he got back to Ottawa last Saturday, the Minister of Health was informed by the Prime Minister that Mr. Sharp was not ready to go along with any change.

The issue was back where it had started—and to make matters worse, 1,800 delegates were beginning to stream into Ottawa from across the land for the big Liberal party policy conference at which medicare was certain to be a contentious issue.

Here again I would refer to the resolutions passed by the Liberal convention and what they mean to the Liberal government—they are "only resolutions passed at a party convention." The article goes on:

The Prime Minister felt that in his convention opening speech he had to say something about medicare. Unable to get an agreement between Mr. Sharp on one hand, and Mr. MacEachen on the other, he proceeded to write into his speech that July 1, 1968 remained at that point, the commencement date but by adding that the government was keeping a flexible approach to it, inferring there could be a change.

• (9:30 p.m.)

Then with the convention's chief policy makers hot on his heels for a resolution which would be acceptable to the gathering, he called all three ministers, Sharp, Marchand, and MacEachen, to his Chateau Laurier suite to get the matter settled in a face to face environment.

While MacEachen and Sharp remained relatively cool, Manpower Minister Marchand is reported to have exploded in anger at the finance minister for, as he saw it, welching on the agreement reached the previous Friday.

May I repeat, Mr. Speaker, that the Minister of Manpower and Immigration is supposed to have exploded at the Minister of Finance for welching on an agreement made the previous Friday. Why do not the Liberal backbenchers, led by this same minister of manpower, explode because there has been a broken promise? They are not only welching on themselves but they are welching on the Canadian people.

Reports seeped out into the conference halls below that Marchand had threatened to resign if July 1, 1968, was to remain as the firm date and that Mr. MacEachen might follow him.

Turning to his diplomatic best Mr. Pearson was able at the end of the controversy, covering a few hours, to get an agreement from all three ministers on the "not later than July 1, 1968."

The wording of the amendments to the bill was settled and everybody gave his blessings to the text of the statement Mr. MacEachen would make to the house in introducing second reading.

This was the statement which Mr. MacEachen delivered in the house:

"We are determined not to proceed later than July 1, 1968 . . . . In the meantime the government will keep the financial and economic climate under close scrutiny . . . . nothing would please the government more than to proceed with it before that date."

The Prime Minister sat attentively in his seat and when Mr. MacEachen had finished, nodded his approval with a smile and left the chamber.

Mr. Marchand, who followed every word with equal attention was also happy. From the gallery above one could almost see the five other ministers present also heave sighs of relief that another cabinet crisis was apparently over.

But backbench M.P.'s who were in the know of what really happened, were wondering what Mitchell Sharp was thinking as he sat somewhere beyond the confines of the house.

If there was a victory for anyone, the odds were on the side of Mr. MacEachen and Mr. Marchand—not on the side of Mr. Sharp as the stories that were circulated around the Liberal conference had implied.

The implication here is that the majority of the people at the Liberal convention were on the side of the Minister of Finance and the inference that there has been a real battle going on between that minister and the Minister of National Health and Welfare is probably quite factual. Now we have this medicare legislation before us, and the government has taken the position that it has to watch the economy. The Minister of Finance says it is being delayed to slow down the boom, and out of the other cheek tells us that when economic conditions are better they will introduce medicare not later than July 1, 1968.

One wonders what goes on with this government when it wants to rush this legislation through, legislation that actually means nothing unless it is implemented. Just the other day a question was ruled out of order when a member asked about the 12 mile territorial limit. It was ruled out on the basis that it was asking for a policy statement. That was not the case. Legislation to establish a 12 mile limit was rushed through by the government two years ago, but has never been enforced.

At that time we had what was referred to as the Pearson gunboat philosophy, and we may have been able to exercise that gunboat philosophy if it were not for the fact that we have a Minister of National Defence (Mr. Hellyer) who has stripped our gunboats. But possibly we can now depend on the fact that just today President Johnson signed a bill to invoke a 12 mile limit in the United States. Who knows, the Minister of National Defence may now go to the United States for the necessary equipment to implement the gunboat philosophy.

This legislation has been rushed into the house, despite appeals from this side that at first there should be at least a pilot project. In the past the Minister of National Health and Welfare said it would only cost $40 million to put medicare into effect for the latter part of 1967.

The latest word I heard from the Canadian Medical Association over T.V. last night was that they want medicare for people who cannot afford to pay doctors' fees. They also made it quite clear to the minister that if he puts the over-all plan into effect there is not sufficient medical personnel to implement it. I ask, why cannot the government agree to make medicare available now to those who need it, since the doctors say they cannot possibly service the whole program if it is put into effect immediately? They will not even be able to service it should the Liberals finally get around to keeping one promise, and we do have medicare implemented by 1968.

Again, Mr. Speaker, I say it is my hope that "Mac" will win another battle concerning the health and welfare of the miners in Cape Breton. Despite the interpretation of a few people that he has this time won a victory, when the minister gets on his feet to wind up this debate I hope he will explain for me, because I cannot understand it, how anybody can say people gained a victory out of a broken promise.

No matter how you look at it, Mr. Speaker, this government stands condemned regardless of how you examine their position and regardless of the arguments of the Minister of Finance. This still constitutes a broken promise, and the Minister of Finance has led the way in breaking it. What is most discouraging to me as a Nova Scotian is the fact that the Minister of National Health and Welfare, a Nova Scotian himself who should be fully aware of the implications of this particular program, has given formal approval to breaking that promise.

To test the attitudes of the government all one needs to do is quote the words of the Minister of Transport (Mr. Pickersgill). On September 1 in this house he turned right to the Prime Minister and said, "The Prime Minister as usual will have to backtrack." Those were the words of the Minister of Transport spoken directly into the face of the Prime Minister. With the Prime Minister backtracking it has become a simple matter for the government to break promises from which it elicited considerable mileage during election campaigns, and I cannot see how broken promises mean a victory.

This medicare bill is discriminatory. Clause 2(d) reads:

"insured services" means all services rendered by medical practitioners that are medically required

This means that the services of ophthalmologists will be covered but not the services of optometrists. In like manner oral surgeons and other dentists are not included, but if a physician performs the same services then those services will be covered. This I feel is quite discriminatory.

• (9:40 p.m.)

It has been pointed out, Mr. Speaker, that somebody else is blasting the government. Second, this will also impose an undue hardship on those citizens of the country who dwell in rural areas and small centres. Ophthalmologists tend to locate in larger urban areas which have hospitals in which they may work. Optometrists on the other hand, not needing such facilities, tend to practice in smaller semi-rural areas. By not making the services of the optometrists available to people dwelling in such areas, these people will be forced to pay doubly, either to engage a local optometrist outside the coverage of Bill C-227 or by having to absorb the cost of lost time from work, and the cost of having to travel to the large centre where the ophthalmologist is located. In addition he will have the loss of the inalienable right of Canadians to the choice of practitioner.

Another aspect to be considered is the fact that optometrists constitute the largest body of legally qualified practitioners in the vision care field. Already they are performing their services at all levels of government and are serving over five million Canadians, or 70 per cent of all Canadians seeking visual care. At the present time 1,500 optometrists are available, compared to 300 ophthalmologists. Thus, to cut off the public from the optometrists, as in Bill C-227 as it now stands, would be detrimental to public health and would produce chaos in this field.

The solution to the problem lies in the definition of the term "medical practitioner", as it appears in clause 2, subclause (f) of Bill C-227. This definition is as follows:

"medical practitioner" means a person lawfully entitled to practice medicine in the place in which such practice is carried on by him.

If this definition were broadened to include all duly qualified—legally and professionally—practioners, whose services are covered by Bill C-227, these problems I have mentioned would be solved. In other words,

[Mr. MacInnis (Cape Breton South).]

where one profession performs a service that another profession legally is licensed and qualified to perform, and which is covered by the terms of the act, then the second profession also should be covered.

Again I have pointed out only one very discriminatory aspect of this particular bill. In the area from which the minister comes he should know the ratio of patients to doctor. He should know this also from the information provided to him by other speakers in this house. Today we do not have and cannot possibly have available in this country, in order to make medicare work effectively, the trained doctors, nurses and technicians required to carry on a successful program. This should be known to the minister, because in his own home town and own area it has been pointed out to him by qualified people—people in the medical profession—that there are areas where there are over 2,000 persons for each available doctor.

I should like to suggest to the minister that he give every consideration to the appeal made last evening on national television, I think by the president of the Medical Association of Canada, that medicare be implemented at once for those in need or those who cannot afford to pay. This is very acceptable to them and they are prepared to service this type of program. Bear in mind also that the medical profession, those who should have access to this information, have made it quite clear that they do not have the personnel to service the over-all program when it is implemented. The minister also is aware that we have had a certain form of medicare in our own area of industrial Cape Breton for a number of years now.

In order to substantiate my arguments, I suggest to the minister that it might not be a bad idea for him to go into the mining areas of Nova Scotia, where he will find out that those who are hard pressed for assistance cannot anywhere near keep up with the demands made upon them. He should be very much aware of the fact that not only throughout this country but in our own neighbourhood there is a great need for more trained personnel, in order to make the present facilities function as they should, let alone handle those which will be in effect once the medicare legislation is brought to fruition.

I should like to appeal to the minister that he give every consideration to those persons who cannot afford the needed services. I am quite sure he would get a lot of support from

his own followers, although they are not very vocal in their support for any of their ministers at any time. They just sit back and never speak for or against. I think the attitude of the Liberal backbencher these days is "I am neither for nor against it". In fact it is the reverse; they themselves will speak privately outside this house concerning what this medicare program needs.

Mr. Pilon: Do not coach him.

An hon. Member: You will find he does not need coaching.

Mr. MacInnis (Cape Breton South): The Liberal whip seems to have something to add to the debate. I will be only too happy if he says yes. I have invited the Liberal whip and he has accepted the invitation. I will ask him to appeal to his minister to put the medicare program into effect for those who need it. Let us now hear from the Liberal whip, who has invited me to give up the floor.

Mr. Speaker: The hon. member for Macleod.

Mr. MacInnis (Cape Breton South): On a point of order, Mr. Speaker; my colleague on this side of the house suggests that the Liberal whip be given an opportunity to speak. We all are anxious to hear what he has to say.

Mr. Speaker: The hon. member for Macleod appeared equally anxious to speak and I have recognized him.

An hon. Member: The whip was saved by Mr. Speaker.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I thank you for saying I am anxious to speak. I do not know how true it is. I do, however, have a few matters concerning medicare which are tremendously important to the people in my riding, and which I know are important to the people in western Canada, in particular Alberta. No more important bill has been brought before this house. After reading the bill I am to a large extent disillusioned to note the number of things it does not cover. I refer specifically to the clause which has to do with adequate provision for medical research. The minister should know that there are two basic types of research; one is what you might term basic research and the other is applied research. In the field of medicine you have these two separate fields.

• (9:50 p.m.)

Basic research relates to work done by skilled individuals in biochemistry and other fields, and is essential to the proper treatment of human diseases and to the alleviation of suffering. Once knowledge and hidden methods of treatment are brought to light by these skilled people it must be translated into practical knowledge so that members of the medical profession can apply this knowledge. That is what is called applied research. There are these two fundamental fields of research, basic and applied; yet there is no mention of either in this bill, although research is referred to in the amendment.

Let me now refer to another weakness in this legislation. There is no mention of any method which might be used to encourage young people to train as doctors, dentists and technicians. Aside from the lack of any reference to medical research in this bill, I think it is inadequate because the government has not included any provision for the encouraging or training of young people in the medical profession. We must find more people to train in these basic fields of research and applied medicine before any adequate medicare program can be implemented.

Although the adoption of training programs in universities falls within the jursidiction of provincial governments, surely this federal government can provide some encouragement. Nothing is being done to help provincial governments train people in the field of medicine, or in the field of dentistry. Nothing is being done in this way by this bill, although there is mention of such a need in the amendment before us.

This bill seeks to take care of the medical expenses of those who are unable to pay, but it will not come into effect until 1968, 18 months from now. For that reason it will not take care of the needs of those people who are unable now to meet their medical bills. There is a great deficiency in this legislation in that it does not make those services available now to at least those groups who are unable to pay for adequate medical care.

In the province of Alberta there is now in effect a medical insurance plan commonly referred to as M.S.I. This plan is going through a gradual evolution, but it is not offering everything I should like to see offered to the citizens of Canada through a universal medical scheme. M.S.I. coverage now costs approximately $114 for an unassociated individual and his wife. Surely we

should adopt some scheme under which everyone would contribute approximately the same amount, except of course those who are unable to contribute. In those cases the government would have to pay the major part of the contribution.

It is essential in order to devise an adequate universal medical scheme to obtain the co-operation of provincial governments. That is fundamental to any adequate scheme. This should be worked out completely before any legislation of this sort is brought into being. Individuals must also have the right to choose their own doctor, and surely a doctor must have the right to decide whether or not he is able to look after patients, in view of time limitations. He should not feel he is duty bound to accept more patients in these circumstances. There must be freedom of choice on both sides of this medicare service coin.

It is my belief that the postponement of the effective date of this scheme to July 1, 1968 was a second thought on the part of this government. Certainly the minister and those closely associated with him are disappointed because of this lengthy postponement. When this legislation is implemented I hope that as a result of amendments it will contain the necessary elements. If it does I am sure it will be of great assistance to many people in Canada.

I have spoken privately to the minister about the serious medical needs of many people in my area. As late as this evening I spoke to him about that need in the Gleichen area where there are approximately 3,000 Indians who require adequate medical attention from time to time. There is at the present time no doctor in that area, so the Indians and others who live close by have no access to proper medical attention. I mention this fact to emphasize the need for additional trained people, so that every citizen in every community in Canada may take advantage of the services which can be provided.

Some hon. Members: Ten o'clock.

BUSINESS OF THE HOUSE

Mr. Knowles: Would the house leader indicate the business for tomorrow?

Mr. McIlraith: Mr. Speaker, tomorrow we will continue with the debate on second reading of the medicare bill. At the conclusion of that we will consider item No. 48 on today's order paper, the committee stage on the bill to provide assistance to livestock feeders in eastern Canada and in British Columbia. This will be followed by a consideration of item 83 on today's order paper, second reading of Bill C-220, to make provision for appeals to an immigration appeal board. We will then consider item No. 101, the resolution preceding a bill to amend the National Housing Act, followed by item No. 100, the resolution preceding a bill to encourage scientific research and development.

[Mr. Kindt.]

• (10:00 p.m.)

Mr. Churchill: Mr. Speaker, I would like to ask the house leader whether he would consider bringing forward this week estimates of the Department of National Defence.

Mr. McIlraith: Yes, Mr. Speaker, if we can get through some of this other business. We also have to bring forward the bill dealing with the armed forces.

Mr. Churchill: That is not on the order paper as yet.

Mr. McIlraith: No, it is not, but we will try to bring it forward as quickly as possible.

Mr. Churchill: Should we not deal with the estimates first, before we start on new business?

Mr. McIlraith: I will take the point under consideration but I think it would be well to have the bill before the house so that the discussion which I anticipate—if I anticipate it correctly—will be relevant to the subject matter before the house.

Mr. Knowles: May I put a question to the house leader? Is it not the intention of the government to proceed immediately from second reading of Bill C-227 to consideration of the bill in committee of the whole?

Mr. McIlraith: The second reading stage has taken a bit longer than I had anticipated and we have some other legislation which it would be desirable to move forward. There are also some motions to come to the house tomorrow which need immediate attention. I had proposed a break of a day or two before the committee stage, but there is no intention to delay it any further.

Mr. Churchill: Is this not an urgent bill to be implemented in 1968? Should we not go to the committee stage quickly?

Mr. McIlraith: I think it is a bill of major importance to this country and I think there is some urgency in getting it through so that the provinces can make their plans and decisions consequent upon it.

Mr. Knowles: Maybe if the government will have a break of two or three days it might reconsider its intention to delay the implementation of the legislation.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

HISTORIC SITES—QUEBEC—DEMOLITION OF HOME OF SIR ALEXANDER GALT

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, last October 12, I put the following question to the Minister of Indian Affairs and Northern Development (Mr. Laing), and I quote:

> In view of the fact that the minister, last Thursday night, notwithstanding his wishes, did not have time to finish his remarks on the memorial to Sir Alexander Galt, would he inform the house today of the nature of his project?

Well, we all know now that Sir Alexander Galt's house has been demolished. It is not my intention to revert to the matter. The minister gave explanations the other day. Tonight is not the time to comment on that.

What we want to know is the policy the minister wants to pursue for the present and for the future. There are still some outbuildings adjoining the Dominican Sisters' convent that the Eastern Townships Historical Society would very much like to preserve.

I would very much appreciate a quick decision by the minister, for the reverend Dominican Sisters are in the process of erecting new buildings and it is important that the minister take a decision in this regard before they demolish those outbuildings.

I would also very much appreciate it if the minister would contact the Eastern Townships Historical Society, the vice president of which is Mr. Desmond McKeon. I received, this very day, a telegram from the vice president of that society, which reads as follows: [*English*]

> We extend our thanks and congratulations for your efforts to save what remains of the Galt Home. Please continue to fight until Laing promises to save what remains.

[*Translation*]

Well, the minister can decide to restore the outbuildings and to appropriate a certain amount in order to carry out this project or, following an investigation, he may prefer to purchase part of the property that the Dominican Sisters are ready to sell to the department for the purpose of erecting a monument.

I do want to stress once again the importance of honouring the memory of Sir Alexander Galt, who was member of parliament for Sherbrooke in 1867 and also one of the Fathers of Confederation.

When the minister makes his decision, I would ask him to advise the Eastern Townships Historical Society, as well as to the member for Sherbrooke, so that I may be kept informed of developments in this matter.

[*English*]

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to the hon. member for Sherbrooke, I wish to say that I think it is one of the happier circumstances that matters of this nature are being more seriously considered by our people in Canada all the time. It is essential, I think, that we do preserve these buildings and these places that are of historic importance. I want to thank him, and I want to thank the hon. member for Richmond-Wolfe (Mr. Asselin), who has persistently brought this matter to my attention.

I think the fact that we were unfortunate in attempting to move the building has not dimmed interest in preserving the Galt home. The other night I did have the opportunity of reminding the house that the previous government of Quebec had undertaken to support, to the extent of 50 per cent, the cost of maintenance of the Galt house, were we successful in moving it. I want to tell the hon. member that this support was not forthcoming from the present government. They withdrew the offer and said they could not carry that. This had no effect whatever on our intentions and hope of moving the building, which was otherwise going to be torn down in any case.

We somewhat hurriedly put people in to move it, and our attempt to move it was abortive. I am of the opinion we should not attempt to move that type of building in which the mortar is over 125 years of age, because it crumbled as soon as we moved it. I want to tell the hon. member that the idea for the preservation of Galt house originated with our Historic Sites and Monuments Board. They recommended that we do this, and we undertook it. It was unfortunate that we failed. I am going to refer this matter again to the Historic Sites and Monuments Board, and leave it to them to suggest how we can commemorate Galt's name and that particular era which, historically, is so important to us.

I do want to thank the Historical Society of Sherbrooke and the city of Sherbrooke for their co-operation in this venture. I hope when we get a recommendation from the Historic Sites and Monuments Board, which is a very valuable body to my department and to the government of Canada, that we will be able to carry out that recommendation, and that we will do justice to the thing we attempted when we lost the house.

OLD AGE SECURITY—CONTINUATION OF PAYMENTS TO DEPENDANTS OF DECEASED PENSIONER

Mr. Barry Mather (New Westminster): Last Friday, Mr. Speaker, on orders of the day I sought to direct a question to the Minister of National Health and Welfare. I should like to quote the question I raised at that time, as recorded at page 8661 of *Hansard*:

> Can he say what consideration is being given to the request of the pensioners and senior citizens federation of Canada that the old age pension of a deceased pensioner be continued for six months in order that the surviving spouse be enabled to meet debts incurred by terminal illness?

At that time the suggestion was made that this question should be more properly put on the order paper, and this suggestion resulted in the question being raised on the late show. We have, I think, hundreds of these cases across Canada in which old age pensioners are suffering as a result of the last illness of one or other members of their families. I do not think there is any need for me to stress that fact; I am sure every member of the house is aware of many cases of this. We have all had contact with elderly couples suffering in one way or another from the physical, emotional and financial pressures which are bound up in the final illness of one or other of them.

[Mr. Laing.]

• (10:10 p.m.)

The proposal which was raised by the senior citizens and pensioners organization seems now to be a very pertinent one, particularly at this time, Mr. Speaker, when the government has indicated that there is to be no real, basic increase in the old age security pension, and at the same time has indicated that there is to be a delay in the implementation of health insurance which might have helped these people at least one year earlier.

My question is this: Is the government sufficiently impressed with the practical need for action in this sphere by continuing the old age pension of one deceased pensioner to his or her surviving partner? To help the government give consideration to this matter, Mr. Speaker, I think I should point out that the statistics I have indicate that, in respect to people in the age group 64-69, if this proposal were taken up and implemented and the pension continued to the surviving spouse after the death of the other, the cost would be approximately $6 million a year to the country—and this at a time when my figures also indicate that the taxpayers are paying approximately $4 million a day by way of defence costs. Therefore, Mr. Speaker, I want to ask the government whether they will consider this request which has been made by the national organization of pensioners.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am sure the house will sympathize with the motives behind the hon. member's proposal, but I would point out that some provision has already been made by this parliament in this area. Also of course there are a number of difficulties involved in a general program of the nature outlined by the hon. member.

The first is the question of cost. There are approximately 1.2 million pensioners in Canada now receiving payments of $75 a month. This amounts to $1,080 million a year in federal expenditures.

In addition, the government will shortly be introducing a program to provide a guaranteed income supplement to old age security recipients. It is estimated this program will cost more than $225 million per annum.

An additional program to provide the estate of a deceased pensioner with a further six months benefit—at $75 per month—would cost at least $38 million a year. This is based on the current death rate of 85,000 per year in this age group.

As hon. members know, the Canada Pension Plan provides for a death benefit equal to six times the monthly retirement pension of the deceased contributor. As the plan comes into full operation, more and more people will be covered for death benefits under this provision.

It should be remembered as well that the Canada Assistance Plan—which was recently approved by this parliament—makes provision for supplementary payments to needy pensioners. These provisions can include such things as funeral expenses.

The Canada Assistance Plan of course is a provincially administered program in which the government of Canada reimburses the provinces for half the cost of various payments made to persons in need. This would apply to any expenses relating to the death of a pensioner who is eligible for benefits under the plan.

Motion agreed to and the house adjourned at 10.17 p.m.

END OF VOLUME VIII